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United Nations Relief and Works Agency for Palestine Refugees in the Near East

Programme budget for the biennium 2010-2011

Report of the Secretary-General on strengthening the management capacity of the United Nations Relief and Works Agency for Palestine Refugees in the Near East

Summary

The present report is submitted pursuant to General Assembly resolution 64/89, in which the Assembly endorsed the conclusions in the report of the extraordinary meeting of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (A/64/115), in particular its request that the Secretary-General provide a report on the strengthening of the management capacity of the Agency to relevant bodies of the General Assembly at the earliest possible date. In this regard, attention is also drawn to the request of the Assembly in resolution 65/100 that the Secretary-General continue to support the institutional strengthening of the Agency through the provision of sufficient financial resources from the regular budget of the United Nations.

The report presents the financial needs of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) in the broad context of its regional role. It describes the shortfalls in extrabudgetary funding that beset the Agency, as manifested in its eroded working capital reserve. It highlights the Agency's constant efforts to strengthen its donor support base and describes past efforts by the Assembly to put UNRWA operations on a more secure financial footing.

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In recent years, together with other United Nations bodies, UNRWA has been required by the General Assembly and other important stakeholders, notably donor and refugee host Governments, to undertake a series of measures to strengthen its management of resources, improve programme planning and oversight, and conform to contemporary standards and norms in areas such as the strengthening of internal justice, public sector accounting standards, and staff security and safety. Owing to the deepening annual financial deficits facing the Agency over the last decades and in the foreseeable future, it is clear that these and other necessary reforms cannot be fully implemented without additional and more predictable sources of funding.

The action requested of the General Assembly is contained in part VI of the report.

I. Introduction

1. The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) has been charged, for the past 61 years, with the unique challenge of providing relief and assistance to Palestine refugees in five fields of operation (Jordan, Syria, Lebanon, and, in the occupied Palestinian territory, the Gaza Strip and the West Bank, including East Jerusalem), until such time that the situation of the refugees is resolved through a just and lasting solution. That challenge is formidable. It requires the Agency consistently to offer education, health, relief and other essential services of a public nature, to a population of 4.76 million registered refugees in one of the most volatile regions of the world, including during situations of high political tension and armed conflict. The General Assembly, in its resolution 64/89, requested the Secretary-General to submit a report on the strengthening of the management capacity of the Agency to the relevant bodies of the General Assembly at the earliest possible date and requested him to support the institutional strengthening of the Agency through the provision of sufficient financial resources from the United Nations regular budget. The Agency's financial crisis threatens the fulfilment of its mission and the population it serves. The present report describes the nature of the crisis which UNRWA faces, and proposes alleviating it through increased support to the Agency from the United Nations regular budget.

2. UNRWA addresses the complex needs of the Palestine refugee population, including human development, humanitarian relief and protection. Encouraged by stakeholders, the Agency has undertaken a wide-ranging management reform process in recent years. This reform process has transformed UNRWA and helped to sharpen its goals, planning, and programme management, particularly through the development of its medium-term strategy for the period 2010-2015. The reforms have provided the basis for more effective and efficient delivery of programmes, thus strengthening the contribution of UNRWA programmes to promoting peace and stability. Providing the tools to ensure successful programmatic outcomes is the central function of the management reform process. However, to maintain the momentum of the reform process, the Agency will require continued investment in oversight, direction and evaluation.

3. UNRWA is in a financial crisis. Total programme requirements have been unfunded by an average of 12 per cent over the last four bienniums. UNRWA starts each year with an average budget deficit of approximately $50 million. With refugee numbers now approaching 5 million, the consequent increase in fixed-cost base, and the continued uncertainty as to whether contributions from donors will keep pace with budgeted needs-based expenditure in coming years, the structural nature of the funding gap faced by the Agency has become evident. UNRWA commenced 2010 with a deficit of $54.4 million against a downsized General Fund budget of $541.3 million as compared to the programme requirements of $598.5 million, which had been approved by the General Assembly. In 2011, against the total approved programme requirements of $621.2 million, UNRWA once again downsized its General Fund budget to $568 million. Even with this reduced budget, UNRWA anticipates a funding shortfall of $63 million.

4. Despite sustained fund-raising efforts targeted at both traditional and new donors, as well as stringent cost-cutting and cost-containment measures, the Agency has only been able to narrowly avoid reporting year-end deficits over the past few

years by depleting its working capital reserve. As of the end of 2010, the working capital reserve stood at approximately $42 million (or the equivalent of only one month's expenditure). Due to the unpredictable nature of extrabudgetary donor contributions, this pattern of sustained low levels of working capital has the potential to call into question the financial viability of the Agency.

5. The General Assembly requires UNRWA, in keeping with Organization-wide initiatives, to follow key best practice policies and initiatives, including the implementation of the International Public Sector Accounting Standards (IPSAS), internal justice reform, United Nations security management system standards and policies (such as the minimum operating security standards), gender mainstreaming, and others. Currently, the cost of doing so is met from the same pool of voluntary donations which sustains the Agency's services to Palestine refugees, thus diminishing the financing available to serve refugee needs. As each initiative in its own right has a price tag, they represent an added financial burden on the Agency's operations at a time when maintaining delivery of services to refugees remains paramount.

6. The extrabudgetary investment made by donors in support of organizational reform, and the recent increase in international posts funded through the United Nations regular budget[1] have strengthened programme delivery. However, the costs inherent in the ongoing process of reform and improvements in the quality and effectiveness of services require increased financial security for the Agency. Specifically, UNRWA needs access to a greater share of predictable, secure funding. The benefits from stable funding would be reflected in particular in the reform process, which strengthens the Agency's capacity to manage the complex challenges that it faces. Continued reform is directly supportive of the Agency's work to maintain stability and calm in its areas of operation.

7. With particular reference to the most recent report of the Working Group on the Financing of UNRWA dated 29 October 2010 (A/65/551), the Secretary-General supports a proposal for Member States to commit to an increased level of funding from the United Nations regular budget to help secure the Agency's management capacity and enable it to maintain the momentum of United Nations-mandated reforms. As explained below, increased financial support would significantly contribute to ensuring that the Agency is in the position to improve the impact and quality of the services delivered, and effectively and flexibly respond to evolving needs. The Secretary-General recommends that such additional funding be introduced starting with the budget for the biennium 2012-2013 (see para. 37 below).

II. Historical background

8. By its resolution 302 (IV) of 8 December 1949, the General Assembly established UNRWA, charging it with providing "continued assistance for the relief of the Palestine refugees [...] to prevent conditions of starvation and distress among them and to further conditions of peace and stability". Since the adoption by the General Assembly of resolution 1456 (XIV) of 9 December 1959 the mandate of UNRWA has been renewed every three years. The current mandate expires on 30 June 2014.

[1] Fourteen new posts were provided in the biennium 2010-2011.

9. UNRWA is a temporary agency charged with delivering education, health, relief and social services. Maintaining these services requires medium- to long-term planning and assured finances. Unlike other United Nations bodies working in the field, UNRWA does not work on behalf of host Governments; rather, it delivers its services in parallel, albeit in close coordination, with them. Moreover, UNRWA implements almost all of its programme activities directly, using its own staff, most of them Palestine refugees, to deliver services to their own communities, rather than sub-contracting through implementing partners.

10. The Agency's humanitarian and human development work includes emergency response activities that have proved vital in saving lives and helping to protect the safety of Palestinian civilians in armed conflict. Owing to rapidly changing circumstances in the region in which it works and frequent outbreaks of violence, UNRWA must be a highly flexible organization able to adapt quickly from carrying out developmental activities to undertaking emergency relief work in the 58 refugee camps and other areas in which it operates.

11. The mandate of UNRWA is linked to the Palestinian refugee issue, which has remained on the United Nations agenda since 1947 as a core aspect of the Israeli-Palestinian conflict. The General Assembly has regularly reaffirmed the necessity for the continuation of the Agency's work pending a just resolution of the question of the Palestine refugees (see, for example, General Assembly resolution 65/98, para. 3). The Agency's coordination with other parts of the United Nations system has a long history. Both the World Health Organization (WHO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) have partnership agreements with the Agency and have played a special role in the provision of technical and in kind assistance in the areas of health and education since the early 1950s. In the past, UNRWA benefited from 55 personnel funded from those two agencies. Over time, however, that number was reduced to four staff members. Furthermore, UNRWA participates in United Nations country teams, in the development of United Nations development assistance frameworks and United Nations consolidated appeals processes, and is increasing its integration into the work of other parts of the United Nations system at the field level, consistent with the United Nations delivering as one.

12. Over the past 35 years, the increasing refugee population (from 750,000 in 1950 to 4.76 million in 2010), evolving global standards in terms of the services the Agency delivers and inflation have resulted in rising costs for the Agency. The Working Group on the financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East[2] has highlighted this conundrum in a number of reports. Since 1 January 1975, expenses for the salaries of international staff employed by UNRWA, which would otherwise be a charge against extrabudgetary contributions, have been financed by the regular budget of the United Nations. More recently, in its report to the General Assembly of 26 June 2009, the Working Group recommended that the General Assembly review, at its sixty-fifth session, the basis for its decision in its resolution 3331 (XXIX) B to provide funding to UNRWA for international posts so as to enable the Agency to meet contemporary demands from

[2] In 1970, funding shortfalls led to a serious financial crisis comparable to that faced today. The Secretary-General appealed to the Special Political Committee to devise creative solutions. The result was the establishment in December 1970, through resolution 2656 (XXV), of the Working Group on the Financing of UNRWA.

stakeholders and the Assembly itself (see A/64/115, para. 14 (d)). It also requested the Secretary-General to prepare a report on strengthening the management capacity of the Agency, for submission to the General Assembly at the earliest possible date. The conclusions of the Working Group were endorsed by the Assembly in resolution 64/89.[3] The present report fulfils the request for a report on the strengthening of the management capacity of the Agency in accordance with General Assembly resolutions 64/89 and 65/100.[4]

III. Management reform and programme effectiveness

13. An important landmark in the Agency's management reform process was reached at the Geneva Conference on "meeting the humanitarian needs of the Palestine refugees in the Near East: building partnership in support of UNRWA" hosted by the Government of Switzerland in June 2004. The conference strengthened the principle of a tripartite partnership between the Agency, its donors and the refugee host countries. It also highlighted the importance of ensuring that the Agency's programming and protection activities reflect the rights and entitlements of Palestine refugees. Stronger engagement with key stakeholders was introduced through far-reaching reform of the Advisory Commission of UNRWA.[5] Established in 1949 with 4 members (France, Turkey, the United Kingdom of Great Britain and Northern Ireland and the United States of America), the composition of the Commission has more than doubled since 2004 to 24 members and 3 observers, including all host countries and major donors. The increased role of important Arab donor States in the work of the Agency is a concrete result of the Agency's continuous efforts to strengthen and diversify its donor support base.

14. Following the Geneva Conference, the Commissioner-General and her deputy led a comprehensive process of reform grounded in the three-year organizational development programme, covering the period 2007-2009. Among other achievements of this programme were the introduction of decentralization and delegation of authority to the five fields of operation, as well as planning that is based on the assessed needs of the refugees and results-based management. The success of the organizational development programme has been commended by the Advisory Commission, which has encouraged the Agency to continue and sustain the process of change.

15. During 2009, the Agency finalized its six-year medium-term strategy, initiating the implementation of programme cycle management. It has also embarked on a far-reaching reform of its human resource management, modernizing and streamlining working methods and structures. In 2010, the Agency launched a new

[3] In paragraph 7 of the resolution, the General Assembly also repeated its request made at the sixty-third session (resolution 63/93, para. 6) for the "Secretary-General to support the institutional strengthening of the Agency through the provision of sufficient financial resources from the regular budget of the United Nations".

[4] In paragraph 10 of resolution 65/100, the General Assembly "looks forward to the transmittal of the report of the Secretary-General on the strengthening of the management capacity of the Agency, as requested by the Working Group and as endorsed by the General Assembly in its resolution 64/89".

[5] As established under General Assembly resolution 302 (IV) of 8 December 1949, the purpose of the Advisory Commission of UNRWA is to advise and assist the Commissioner-General in the execution of the programme. The Advisory Commission is not an executive body.

strategic approach to resource mobilization aimed at strengthening the donor support base and tapping into new sources of funds, including from the private sector and foundations.

16. The Agency has strengthened the relationship between its headquarters and the fields of operation, including through seeking to optimize the blend between the operations management role of field directors and the expert oversight, direction, and standard-setting provided by programme and support directors based in Amman and Jerusalem. Oversight, evaluation, investigation and audit functions are embedded in a restructured Department of Internal Oversight Services, headed at the D-2 level. A Programme Coordination and Support Unit leads the Agency's efforts in programme cycle management. Much-needed professional support in the management of some 28,264 local (area) staff and the revamping of area staff structures is provided by the Department of Human Resources. The Department of Legal Affairs and field lawyers ensure that the Agency's regulatory framework is consistently interpreted and implemented throughout the Agency.

17. A plan for "sustaining change", the next phase of the reform process, was introduced in 2010. The plan represents the Agency's commitment to maintaining the momentum of reforms and ensuring that their impact is demonstrated in a higher quality of services to refugees. It is essential that the sustaining change plan be fully funded to enable its benefits to be felt in the lives of refugees. The Advisory Commission gave its broad support to the reforms and proposed to make further detailed recommendations prior to June 2011 on the implementation of the plan. As part of a long-term commitment to reform, UNRWA has planned an external evaluation of the first phase of the reform process, the organizational development programme, in the first half of 2011. The results of that evaluation will be fed into the implementation of the sustaining change plan.

18. Given the persistence of the Agency's financial difficulties, the Commissioner-General gives high priority to efforts to sustain and increase the support of traditional donors, to further expand income from non-traditional donors and to enhance income through partnerships with public and private entities. A key means towards achieving these objectives, particularly during a time of heightened funding needs, is the strengthening of UNRWA resource mobilization and advocacy capacities. A strategic approach to resource mobilization, developed during the first half of 2010, has been fully integrated into the sustaining change plan, and will be rolled out as additional funding is made available. An initial step has been the establishment of a new Department of External Relations and Communications headed at the D-2 level. Other planned measures to enhance the Agency's impact include strengthening of the existing Brussels Representative Office and establishment of a small office in Washington, D.C., to be headed at the P-5 level, to manage relations with the Government of the United States, the Agency's largest bilateral donor. The strengthening of the Arab Partners Unit, aimed at capturing an increasing share of funds from Arab States, is another component of this strategy. The Agency's resource mobilization approach includes efforts to increase individual giving and, importantly, to enhance partnerships with foundations and the private sector with a view to tapping into their resources and technical expertise. Partnerships can also boost the Agency's advocacy for Palestine refugees and broaden it's global visibility.

19. In order to integrate existing management information tools in the areas of procurement, finance and human resources, and provide senior management with real-time data on the allocation of budgeted resources and actual programme expenditure, UNRWA urgently needs to implement an enterprise resource planning system. Immediate benefits, including greater cost efficiencies, are anticipated. For instance, the enterprise resource planning system will support IPSAS compliance and improved data management in the procurement supply pipeline. When implemented in the health sector, automation of health procedures for refugee patients will reduce transaction costs, improve stock control, and reduce wastage and inventories, leading to annual savings on the purchase of supplies and goods. The estimated cost of an UNRWA-specific enterprise resource planning system is approximately $32 million over three years. However, in an effort to optimize cost-benefits and improve synergies with other parts of the United Nations system, the Agency is actively exploring opportunities to partner with another United Nations organization. The estimated cost of this alternate solution would be approximately $3 million per annum, beginning in 2014. To date, the Agency has only managed to attract a limited amount of extrabudgetary funding for this project, with consequent inevitable delays in implementation.

IV. Funding crisis, budget structure and programme costs

20. UNRWA has faced frequent financial crises. While donors have shown a high degree of solidarity with the Palestine refugees over the decades, rarely — if ever — has the level of funding provided met the Agency's planned programme expenditure on their behalf. Even though not all registered refugees avail themselves of the Agency's services, a number of external evaluations have shown that UNRWA spends significantly less on its beneficiaries than is required by international standards. Expenditure per capita of less than $20 a year in the health programme is only half the minimum recommended by WHO for developing countries. A WHO evaluation of the UNRWA programme in 2005 stated that failure to raise additional resources for health-care programmes would result in greater health risks among the refugees. While UNRWA is often hailed by donors as highly cost-effective, the paucity of its resources — and consequently of its spending — can be judged in crumbling school buildings and overcrowded, understaffed health clinics, testifying to the deteriorating quality of its services. Without sustained investment in the quality of services provided, much of the progress made by UNRWA in assisting the Palestine refugee population to meet the Millennium Development Goals could be undermined and reversed.

21. UNRWA faces widening annual gaps between planned expenditure to maintain core programmes at present levels and current and forecast donor pledges. The Agency's reform programme is being implemented at a time when the global financial crisis that began in 2008 has negatively impacted the Agency's traditional donor base. Several donors have been obliged to reduce the level of their pledged contributions or have not been able to increase them in line with Agency needs. In 2011, the General Fund expenditure is budgeted at $568.0 million, representing a 9 per cent reduction from that necessary to achieve the medium-term strategy goals budgeted at $621.2 million, excluding in kind assistance. In 2011, budgeted donor income will be insufficient to meet the reduced budget, generating a deficit of

$63.0 million. This level of income is clearly inadequate to meet medium-term strategy goals going forward.

22. The consequence of a structural deficit over a number of years has been a steady drawdown of the Agency's working capital reserve, which is required to fund General Fund shortfalls and respond to exchange rate fluctuations. The reliance of UNRWA on this short-term method of dealing with the crises has highlighted the growing vulnerability of the Agency to exogenous shocks, and weakens its ability to respond to crisis. UNRWA ended 2010 with a working capital reserve of only $42 million, equivalent to one month of operating cost, and the situation is likely to be the same in 2011. Normal prudential standards dictate that an organization with the responsibilities of UNRWA should maintain a reserve equivalent to at least three months' planned expenditure. As expenditure currently averages $43 million a month, this implies that a reserve equivalent to approximately $130 million would be required. The General Assembly's attention is drawn to this serious matter as further illustration of the acute resource deficit the Agency faces.

23. The Agency's budget structure includes several "portals" through which funding is raised and disbursed. The most significant of these is the General Fund, which supports the Agency's core programmatic expenditure in the areas of education, health, and relief and social services. Most costs incurred by the two other programmes — infrastructure and camp improvement, and microfinance — are financed through dedicated project funding, or, in the case of microfinance, through income generation, and do not significantly impact the availability of funding for the Agency's core programmes. In kind food aid from donors and cash-for-food, as well as modest allowances to 250,000 special hardship cases form additional components of the Agency's General Fund. For the biennium 2010-2011, the cash and in kind General Fund budget (i.e., excluding projects and emergency appeals for northern Lebanon and the occupied Palestinian territory) is $1,226.6 million ($601.9 million for 2010 and $624.7 million for 2011).

24. The General Fund is financed almost entirely through extrabudgetary contributions from donor Governments. Support from private donors and local governments — at the state and municipal levels — has been growing modestly in recent years, thanks to sustained fund-raising efforts. However, national Governments will remain the largest contributors, providing 95 per cent of funds received for the Agency's General Fund in 2009. Notwithstanding a drive to increase the share provided by non-traditional donors outside OECD, UNRWA estimates that it will remain dependent for the foreseeable future on support from 20 major donors who have traditionally provided over 93 per cent of pledges.

25. The United Nations regular budget share of the General Fund requirement has declined over the decades. In the biennium 1975-1976, it represented over 8 per cent of the total, while in the current biennium, it has fallen to 3.5 per cent.[6] Over the past decade, the Agency's share of the United Nations regular budget has varied between 0.65 per cent in the biennium 1996-1997 and the present figure of 0.95 per cent. The recent rise in funding from the regular budget was due to the welcome decision to provide UNRWA with an additional 20 international posts over a four-year period to replace extrabudgetary funding of positions provided under the

[6] A total of $48.7 million out of the General Fund requirement for the biennium 2010-2011 of $1,226.6 million.

organizational development programme. Meanwhile, over the 35 years since the passage of resolution 3331 (XXIX), demands on the Agency's management from stakeholders, including the General Assembly, have increased significantly. In my address on 24 September 2009 to the UNRWA High Level Meeting on the occasion of the Agency's sixtieth anniversary, I suggested that the time had come for the Assembly to look again at the adequacy of the funding it provides to UNRWA.

26. Successive years of funding shortfalls to the General Fund have taken a heavy toll on the physical fabric of the Agency's schools, clinics, food distribution centres and other installations, with the effective life of UNRWA installations being reduced from 50 to 30 years. Meanwhile a growing percentage of refugees today live in sub-standard, unhealthy accommodation. The backlog of shelters that UNRWA has been unable to repair or rebuild due to a lack of funds has risen to well over 25,000, affecting some 150,000 persons. In Gaza alone, some 11,000 units await repair. Pledges to the project budget have typically averaged about $50 million a year, which represents only a small fraction of needs.

27. Since September 2000, UNRWA has issued annual emergency appeals for the occupied Palestinian territory. Over the past decade, donor pledges to emergency appeals have totalled $1.5 billion, representing approximately 62 per cent of the funding requested. In addition, since 2006, the Agency has requested emergency funding for Lebanon, following the conflict that year between Israel and Hizbullah and the 2007 clash between the Lebanese army and a militant Islamist group in and around the Nahr el-Bared camp. The clash displaced 27,000 refugees and destroyed the entire camp. Rebuilding the camp will be the largest infrastructure project ever undertaken by the Agency, costing an estimated $324 million. So far, UNRWA has received sufficient funding to cover one third of the planned works. While emergency activities are supplementary to the Agency's regular programmes, they are mainly delivered by resources covered by the regular programmes and rely on the physical infrastructure funded by the General Fund.

28. Staff are both the key means of programme delivery and the largest single cost element of the General Fund. In line with the steady growth in the number of refugees, as well as the need to improve the quality of UNRWA services, staff numbers have risen as the programme has grown. In November 2010, the Agency had 28,264 established area posts for a registered refugee population of 4.76 million, a ratio of 168 refugees per staff member. The total was broken down among the three main programmes as 20,471 educational staff, 4,328 health staff, and 630 relief and social services staff. The remainder provided headquarters support or were employed by the microfinance and infrastructure programmes. In recent years, owing to shortfalls in donor funding, management has kept a tight grip on new recruitment.

29. Area staff remuneration is closely pegged to that of their local Government counterparts. As UNRWA wishes to attract and retain well-qualified persons, in some professional categories it pays slightly above the Government equivalent. Thus, when host authorities award pay raises to their own staff, where established procedures apply, UNRWA generally follows suit. This practice has had a significant impact on the Agency's total wage bill in recent years. Salary costs represent about 85 per cent of the Agency's recurrent expenditure, a very high percentage that gives management little room to manoeuvre during periods of downturn in donor income. The absence of a staff indemnity reserve, to provide end-of-service termination

payments, reduces further the potential tools at the disposal of the Commissioner-General in confronting financial crises. As of 31 December 2009, the reserve requirement stood at $227 million.

30. While area staff assume significant levels of responsibility in their respective fields of operation and programme areas, international staff remain critical to ensuring requisite levels of expertise and oversight. It is therefore vital that UNRWA be able to attract the international staff it needs, including those with United Nations experience and those familiar with international norms and standards.

31. The General Assembly approved the Agency's request for an additional 20 regular posts from the United Nations budget over the four years from 2008 to 2011, bringing the total number of posts financed through the regular budget to 133 in the current biennium. Nevertheless, UNRWA still depends heavily on a large number of international staff paid for under temporary bilateral arrangements with donors, as junior professional officers, short-term experts or consultants. About one third (approximately 75 posts) of the current international staff roster is based on bilateral funding that is by definition time-bound and related to specific short-term assignments. These arrangements are not sustainable. While the requirement for some of these posts is of a limited duration, UNRWA estimates that 43 positions are key to enabling the Agency to maintain the momentum of reform, to strengthen its management and to improve the quality of services to refugees.

V. Meeting reform requirements mandated by the General Assembly

32. UNRWA is working towards the implementation of IPSAS by 2012. A smooth transition from existing accounting practices and standards will require extensive operational and change-management efforts, including major rewriting of all financial technical instructions and policies, extensive changes to accounting practices, the training of finance and non-finance staff across all 5 fields of operations and major enterprise resource planning systems upgrades and enhancements, along with changed operational procedures for many inventory management staff. It is estimated that the cost of IPSAS implementation will be approximately $2.5 million in the current biennium.

33. To bring UNRWA in line with human resource reforms already introduced at the Secretariat and the funds and programmes, the Agency is providing its staff with access to a more robust dispute-resolution mechanism, as well as a new, first-tier system of internal justice.

34. UNRWA management has a duty to care for its staff. Whereas in the past, strong community support contributed greatly to security, today that presumption no longer holds true to the same extent. Both international and area staff have come under threat from different sources in recent years in all UNRWA fields of operation. Management is committed to implementing moss standards. As not all of its many facilities can be protected to an acceptable level, the Commissioner-General has determined that the safeguarding of headquarters facilities and a small number of other particularly exposed locations needs to be ensured. Other complementary measures are required in each field to improve staff safety.

35. In line with the outcome from the 2005 General Assembly World Summit, which called upon "all parts of the United Nations to promote human rights and fundamental freedoms" (see General Assembly resolution 60/1, para. 119), UNRWA is committed to mainstreaming gender equality and protection and providing for the needs of the disabled in its operations. Specialist staff have been appointed to coordinate the Agency's work in these areas, and policies, procedures and guidance are being developed. Staff training and awareness-raising activities have begun. As these are cross-cutting issues that are implemented throughout UNRWA programmes, significant resources are required to reach all 28,264 of its staff. In addition, the Agency's commitment to mainstreaming gender equality and protection and providing for the needs of the disabled requires the provision of quality services targeted to reach vulnerable communities and individuals, as well as advocacy and mobilization efforts, which also necessitate support in terms of service delivery and human resources.

VI. Conclusions and recommendations

36. To ensure that UNRWA is able to deliver effectively on the mandate given to it by the General Assembly and to utilize donor resources most efficiently, it is essential that the far-reaching management reform process begun in 2005 is maintained and deepened. Extrabudgetary contributions from traditional and non-traditional donors, including through private sector partnerships, must rise significantly over the coming five years, to enable the Commissioner-General to implement the Agency's medium-term strategy over the period 2010-2015, thus providing refugees with improved basic services in line with national and international norms, including those set by the United Nations.

37. To achieve these objectives, the General Assembly is requested to:

(a) Take note of the perilous cash-flow situation faced by UNRWA;

(b) Request the Secretary-General to propose increased funding from the regular budget on an incremental basis over the next four bienniums, starting with an increase of $5 million for the biennium 2012-2013;

(c) Decide that approval of such increases is subject to full justification in the context of the proposed programme budgets for the relevant bienniums, and consideration thereof by the General Assembly.

38. At the end of the implementation timeline for the two medium-term strategy, in 2015, in the light of its continuing responsibility for the financial well-being of the Agency, and as its parent governing body, the General Assembly may wish to review the progress made by UNRWA in meeting its obligations and goals, including those set out in the present report, in line with funding provided through voluntary contributions and the United Nations regular budget. To that end, a follow-up report may be beneficial.

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Summary

The present report contains the budget for the United Nations Peacekeeping Force in Cyprus (UNFICYP) for the period from 1 July 2011 to 30 June 2012, which amounts to $57,437,100, inclusive of budgeted voluntary contributions in kind in the amount of $1,692,200.

The budget provides for the deployment of 860 military contingent personnel, 69 United Nations police officers, 39 international staff and 113 national staff.

The total resource requirements for UNFICYP for the financial period from 1 July 2011 to 30 June 2012 have been linked to the Force's objective through a number of results-based frameworks, organized according to components (political and civil affairs, military, United Nations police and support). The human resources of the mission, in terms of the number of personnel, have been attributed to the individual components, with the exception of the executive direction and management, which can be attributed to the Force as a whole.

The explanations of variances in resource levels, both human resources and financial resources, have been linked, where applicable, to specific outputs planned by the Force.

Financial resources

(Thousands of United States dollars. Budget year is from 1 July to 30 June.)

Category	*Expenditures (2009/10)*	*Apportionment (2010/11)*	*Cost estimates (2011/12)*	*Variance*	
				Amount	*Percentage*
Military and police personnel	22 487.3	24 249.2	23 869.7	(379.5)	(1.6)
Civilian personnel	15 335.7	15 682.6	14 786.3	(896.3)	(5.7)
Operational costs	15 475.7	16 393.9	17 088.9	695.0	4.2
Gross requirements	**53 298.7**	**56 325.7**	**55 744.9**	**(580.8)**	**(1.0)**
Staff assessment income	2 527.3	2 555.7	2 404.2	(151.5)	(5.9)
Net requirements	**50 771.4**	**53 770.0**	**53 340.7**	**(429.3)**	**(0.8)**
Voluntary contributions in kind (budgeted)	1 327.7	1 830.6	1 692.2	(138.4)	(7.6)
Total requirements	**54 626.4**	**58 156.3**	**57 437.1**	**(719.2)**	**(1.2)**

Human resources[a]

	Military contingents	*United Nations police*	*International staff*	*National staff*	*Total*
Executive direction and management					
Approved 2010/11	—	—	2	—	**2**
Proposed 2011/12	—	—	2	—	**2**
Components					
Political and civil affairs					
Approved 2010/11	—	7	10	10	**27**
Proposed 2011/12	—	7	10	10	**27**
Military					
Approved 2010/11	834	—	2	2	**838**
Proposed 2011/12	834	—	2	2	**838**
United Nations police					
Approved 2010/11	—	62	1	1	**64**
Proposed 2011/12	—	62	1	1	**64**
Support					
Approved 2010/11	26	—	24	100	**150**
Proposed 2011/12	26	—	24	100	**150**
Total					
Approved 2010/11	860	69	39	113	**1 081**
Proposed 2011/12	860	69	39	113	**1 081**
Net change	—	—	—	—	—

[a] Represents highest level of authorized/proposed strength.

The actions to be taken by the General Assembly are set out in section IV of the present report.

I. Mandate and planned results

A. Overall

1. The mandate of the United Nations Peacekeeping Force in Cyprus (UNFICYP) was established by the Security Council in its resolution 186 (1964). The most recent extension of the mandate, until 15 June 2011, was authorized by the Council in its resolution 1953 (2010).

2. The Force is mandated to help the Security Council achieve an overall objective, namely, to ensure peace and security in Cyprus and the return to normal conditions.

3. Within this overall objective, UNFICYP will, during the budget period, contribute to a number of expected accomplishments by delivering related key outputs, shown in the frameworks below, which are organized according to components (political and civil affairs, military, United Nations police and support).

4. The expected accomplishments would lead to the fulfilment of the Security Council's objective within the lifetime of the Force and the indicators of achievement show a measurement of progress towards such accomplishments during the budget period. The human resources of UNFICYP, in terms of the number of personnel, have been attributed to the individual components, with the exception of the executive direction and management, which can be attributed to the Force as a whole.

5. The headquarters for the Force and sector 2 are located in the capital city of Nicosia, where the Office of the Special Representative of the Secretary-General/ Chief of Mission is also located, while sectors 1 and 4 headquarters are based in Skouriotissa and Famagusta, respectively. The Force provides administrative, logistical and technical support to its substantive, military and United Nations police personnel deployed in its main sector headquarters as well as to military personnel in 11 patrol bases and 9 permanent observation posts.

B. Planning assumptions and mission support initiatives

6. The activities of UNFICYP will continue to focus on creating conditions conducive to the efforts to achieve a comprehensive settlement of the Cyprus problem. In this regard, the Force will continue to facilitate the resolution of conflicts in various fields between the two communities, promote the increase of mutual dialogue and cooperation through bicommunal activities, and support the opening of additional crossing points and other confidence-building measures such as demining and military de-confrontation. While UNFICYP will strive to achieve progress towards normal living conditions in the buffer zone, it will continue to take effective measures against unauthorized use of this area and provide humanitarian assistance to members of both communities, as required.

7. In addition, UNFICYP will assist the Special Representative of the Secretary-General/Chief of Mission, as the principal adviser and deputy to the Special Adviser to the Secretary-General on Cyprus, in her efforts to support the full-fledged negotiations between the Greek Cypriot and Turkish Cypriot leaders. UNFICYP will provide substantive and logistical assistance to the Special Adviser to the Secretary-

General, including the facilitation of meetings of bicommunal technical committees, working groups and other expert groups which discuss matters of common concern. To this end, UNFICYP will continue to designate political and civil affairs staff to act as facilitators and to extend the assistance of its public information personnel.

8. The planning assumptions for 2011/12 are based on the assumption that the Force will continue to maintain its current contingent troop strength, United Nations police and civilian personnel levels.

9. During the 2010/11 period, there has been a change in the mission's organizational structure, as a result of which the Communications and Information Technology Section has been separated from the Integrated Support Services following the establishment of the Information and Communications Technology Services section, which reports directly to the Chief of Mission Support. This change is in line with the establishment during the 2010/11 period of a unified regional management structure for information and technology activities in the Middle East field missions, including the United Nations Interim Force in Lebanon (UNIFIL), the United Nations Disengagement Observer Force (UNDOF), the United Nations Truce Supervision Organization (UNTSO) and UNFICYP, with the Chief of Regional Information and Communications Technology Services located in UNIFIL.

10. During the 2011/12 period, measures will be taken to mitigate the environmental impact of the mission by implementing a conservation pilot project in two camps (Roca Camp and Camp Szent István). The purpose of the pilot project will be to demonstrate the effectiveness of a comprehensive effort to reduce consumption of power and water at the two camps, before rolling out the project to all UNFICYP locations. Efforts will be focused on two main areas, namely (a) education and monitoring of all aspects of power and water consumption with a view to modifying behaviour in order to cut consumption patterns; and (b) the application of technologies to achieve additional savings. The infrastructure of the camps will be renovated with a view to achieving maximum efficiency. Items being considered include power saving devices, time switches on air conditioning units, maximized use of solar power, ambient heat recovery systems, water saving devices for showers and toilets, and increased monitoring, control and recording of consumption patterns not just for the camps as a whole but for individual buildings within the camps.

C. Regional mission cooperation

11. UNFICYP will continue to be the designated safe haven for the United Nations missions in the region. In this regard, the Force will continue to maintain close cooperation with other United Nations operations in the region, including UNIFIL, UNDOF, UNTSO and the Office of the United Nations Special Coordinator for the Middle East Process.

12. In addition, UNFICYP will continue to provide full support to the Committee on Missing Persons and the Secretary-General's good offices mission in Cyprus.

D. Results-based-budgeting frameworks

13. In order to facilitate the presentation of proposed changes in human resources, six categories of possible action with respect to staffing have been identified. A definition of the terminology with respect to the six categories is contained in annex I.A of the present report.

Executive direction and management

14. Overall mission direction and management are to be provided by the immediate Office of the Special Representative of the Secretary-General.

Table 1
Human resources: executive direction and management

	International staff								
	USG-ASG	*D-2-D-1*	*P-5-P-4*	*P-3-P-2*	*Field Service*	***Subtotal***	*National staff*	*United Nations Volunteers*	***Total***
Office of the Special Representative of the Secretary-General/Chief of Mission									
Approved posts 2010/11	1	—	—	—	1	**2**	—	—	**2**
Proposed posts 2011/12	1	—	—	—	1	**2**	—	—	**2**
Net change	—	—	—	—	—	—	—	—	—

Component 1: political and civil affairs

15. Pursuant to its mandate, UNFICYP facilitates the resolution of various issues between the two communities, promoting increased dialogue and cooperation through support of bicommunal activities and other confidence-building measures, such as the opening of additional crossing points. In addition, UNFICYP will contribute to efforts to further normalize the living conditions in the buffer zone, while working to prevent the unauthorized use of the area, and provide humanitarian assistance to members of both communities as required. Pursuant to the integrated approach adopted by the Secretary-General in respect of UNFICYP and his good offices, the mission will assist the Special Representative of the Secretary-General/Chief of Mission, as the principal adviser and deputy to the Special Adviser to the Secretary-General, in her efforts to support full-fledged negotiations between the Greek Cypriot and Turkish Cypriot leaders. In this regard, the Office of the Special Representative will continue to interact with the parties and the international community, including liaising with the institutions of the European Union, and coordinate contingency planning in relation to the settlement in line with Security Council resolution 1953 (2010). In addition, the Office of the Special Representative of the Secretary-General will continue to coordinate the country team towards common objectives. The mission will also continue to support the peace process by facilitating the meetings of bicommunal technical committees, which discuss confidence-building measures aimed at improving the day-to-day life of Cypriots, and helping to implement measures arising from the committees' deliberations. UNFICYP will also provide extensive assistance to the efforts of the Secretary-General's good offices.

Expected accomplishments	*Indicators of achievement*
1.1 Improved relations between Greek Cypriot and Turkish Cypriot communities	1.1.1 Increase in the number of joint technical projects, social and cultural events, political and economic meetings and other related activities under UNFICYP facilitation that contribute to improved intercommunal relations (2010/11: 120; 2011/12: 130)
	1.1.2 All incidents relating to civilian activities that may give rise to tension between the two sides are prevented or resolved through UNFICYP facilitation or direct action
	1.1.3 Increased public awareness of the Force's profile and its role in creating conditions promoting the political process

Outputs

- Facilitation of the negotiation process under the auspices of the Secretary-General's good offices, including the provision of confidence-building initiatives
- Weekly liaison with relevant authorities and civil society representatives of the Cypriot communities with a view to facilitating intercommunal contacts and joint activities to prevent or resolve issues that could give rise to tensions
- Facilitation of the weekly meetings of the Technical Committee on Cultural Heritage and its advisory board, as well as provision of assistance for the implementation of its decisions
- Implementation of a public information and communications strategy as part of broader efforts to improve relations between the communities, promote the role of civil society and support the efforts of the good offices mission, including 300 media monitoring reports, 64 situation/media summaries, 4,600 media monitoring translations, 1,000 briefings and the organization of weekly press encounters of the Special Adviser and the Special Representative in connection with the leaders' meetings

Expected accomplishments	*Indicators of achievement*
1.2 Progress towards normal living conditions in the United Nations buffer zone and for Greek Cypriots and Maronites in the north and Turkish Cypriots in the south	1.2.1 A number of civilian activities in the buffer zone, including agricultural projects, commercial and residential construction, infrastructure repair and maintenance projects that continue to be supported by UNFICYP (2009/10: 75; 2010/11: 50; 2011/12: 50)
	1.2.2 All issues raised by the minority communities on both sides are resolved

Outputs

- Daily intercession with the authorities on the resolution of educational, cultural, religious and other issues of the communities on both sides
- Weekly humanitarian visits to the Greek Cypriot and Maronites communities in the north
- Bimonthly meetings with relevant authorities to address housing, welfare, education, legal, employment and other issues affecting Turkish Cypriots in the south
- Daily meetings with local authorities and civilian population to promote compliance with UNFICYP procedures on the civilian use of the buffer zone

- Monitoring of the well-being and situation (including non-discrimination) of minority prisoners and detainees on both sides of the island and providing escorts for family visits, as needed
- Facilitation of pilgrimages and other religious and cultural observances to sites on both sides and in the buffer zone, including the provision of escort, as needed
- Provision of legal advice to both parties on issues related to the implementation of the UNFICYP mandate

External factors

Both sides will cooperate in creating conditions for improved relations; effective freedom of movement of all UNFICYP personnel

Table 2
Human resources: component 1, political and civil affairs

Category								*Total*
I. Military contingents								—
II. United Nations police								
Approved 2010/11								7
Proposed 2011/12								7
Net change								—
	International staff							
III. Civilian staff	*USG-ASG*	*D-2-D-1*	*P-5-P-4*	*P-3-P-2*	*Field Service*	*Subtotal*	*National staff*	*Total*
Office of the Senior Adviser								
Approved posts 2010/11	—	1	2	—	1	4	—	4
Proposed posts 2011/12	—	1	2	—	1	4	—	4
Net change	—	—	—	—	—	—	—	—
Civil Affairs Section								
Approved posts 2010/11	—	—	2	1	1	4	7	11
Proposed posts 2011/12	—	—	2	1	1	4	7	11
Net change	—	—	—	—	—	—	—	—
Office of the Spokesperson/Public Information Section								
Approved posts 2010/11	—	—	1	1	—	2	3	5
Proposed posts 2011/12	—	—	1	1	—	2	3	5
Net change	—	—	—	—	—	—	—	—
Subtotal, civilian staff								
Approved posts 2010/11	—	1	5	2	2	10	10	20
Proposed posts 2011/12	—	1	5	2	2	10	10	20
Net change	—	—	—	—	—	—	—	—

Total (I-III)	
Approved 2010/11	27
Proposed 2011/12	27
Net change	—

Component 2: military

16. The military component of UNFICYP will focus its activities on the development and delivery of the operational capabilities and requirements needed to ensure continued stability and the creation of conditions conducive for achieving a comprehensive political settlement. The maintenance of the ceasefire and a calm situation in the buffer zone, with particular attention to preventing a deterioration of the security situation which could negatively affect the political process, will remain key priorities. The Force will continue to carry out its tasks with regard to the maintenance of the ceasefire and the integrity of the United Nations buffer zone through the implementation of the mobile patrolling concept and the provision of support for the implementation of confidence-building measures, such as mine clearance, reduction in tension between the opposing forces and the equitable application of the rules governing access to and use of the buffer zone. The military component will also continue to support the good offices.

Expected accomplishments	*Indicators of achievement*
2.1 Maintenance of the ceasefire and the integrity of the United Nations buffer zone	2.1.1 Reduction in the number of ceasefire violations (2009/10: 946; 2010/11: 720; 2011/12: 700)
	2.1.2 Increase in the number of authorized civilian activities within the buffer zone (2009/10: 1,766; 2010/11: 1,880; 2011/12: 2,000)

Outputs

- 70,604 mobile troop patrol days, comprising 66,768 troop patrol days (2 troops per patrol x 642 patrols per week x 52 weeks); 1,040 troop patrol days jointly with United Nations police (2 troops per patrol x 10 patrols per week x 52 weeks); 156 troop patrol days jointly with the Sector Civil Affairs Team (1 troop per patrol x 3 patrols per week x 52 weeks); and 2,640 air patrol days (average of 4 troops per patrol x 55 patrols per month x 12 months)
- 8,892 military observer and liaison group mobile patrol days, comprising 3,120 patrol days in sector 1 (3 troops per patrol x 20 patrols per week x 52 weeks); 1,872 patrol days in sector 2 (3 troops per patrol x 12 patrols per week x 52 weeks); and 3,900 patrol days in sector 4 (3 troops per patrol x 25 patrols per week x 52 weeks)
- 10,614 operational/base duty troop day in 6 camp areas, comprising 1,830 troop days in Camp Saint Martin (5 troops per camp x 366 days); 2,928 troop days in Roca Camp and Camp General Stefanik (4 troops per camp x 2 camps x 366 days); 2,196 troop days in Wolseley Barrack (6 troops per camp x 366 days); 366 troop days in Camp Szent István (1 troop per camp x 366 days); and 3,294 troop days in the United Nations Protected Area (9 troops per camp x 366 days)
- 9,882 permanent observation post troop days (9 posts x 1 soldier per post x 3 shifts x 366 days)
- 366 daylight observation post troop days (1 post x 1 soldier per post x 366 days)

- 21,594 troop days to maintain security of United Nations installations in 6 camp areas, comprising 2,928 troop days in Camp Saint Martin and Roca Camp (2 troops per camp x 2 camps x 2 shifts x 366 days); 2,928 troop days in Wolseley Barrack (8 troops per camp x 366 days); 4,392 troop days in Camp General Stefanik and Camp Szent István (3 troops per camp x 2 camps x 2 shifts x 366 days); and 11,346 troop days in the United Nations Protected Area (31 troops per camp x 366 days)
- 1,320 air support and air patrol hours (110 flying hours per month x 12 months) covering the full length of the buffer zone
- 5,490 daily liaison contacts with opposing forces at all levels on buffer zone-related issues, comprising 732 contacts at Force headquarters (2 contacts x 366 days) and 4,758 contacts at sector level (13 contacts x 366 days)
- 53,436 troop platoon-size quick reaction reserve days, comprising 27,450 platoon patrol days (25 troops per platoon x 3 sectors x 366 days) with 2 hours' notice to move; 19,032 headquarters military patrol days (26 troops per platoon x 2 platoons x 366 days) with 2 hours' notice to move; 2,196 helicopter patrol days (3 troops x 2 sections x 366 days); 1,098 helicopter patrol days (3 troops x 1 helicopter x 366 days) with 45 minutes' notice to move; and 3,660 military police patrol days (2 Force military police per patrol x 5 patrols x 366 days)
- Daily monitoring of the buffer zone by closed circuit television systems, target location systems, global positioning system and night observation capability
- 3,035 troop support days, comprising 1,375 support days to United Nations agencies, funds and programmes, the good offices and other actors engaged in confidence-building, reconciliation and humanitarian matters (55 events x 25 troops); 350 support days for official events (14 events x 25 troops); and 1,310 troop support days for military assistance at social events, including pilgrims' activities, demonstrations during anniversaries and bicommunal meetings
- Maintenance of 9 kilometres of minefield fencing and the removal of up to 3 kilometres of fencing once the minefields are cleared
- 160 demining assistance troop days for the safety of third-party demining teams and for the provision of security and liaison assistance (4 troops x 40 days)

External factors

Opposing forces will cooperate

Table 3
Human resources: component 2, military

Category	*Total*
I. Military contingents	
Approved 2010/11	**834**
Proposed 2011/12	**834**
Net change	—
II. United Nations police	—

III. Civilian staff	International staff: USG-ASG	D-2-D-1	P-5-P-4	P-3-P-2	Field Service	Subtotal	National staff	United Nations Volunteers	Total
Office of the Force Commander									
Approved posts 2010/11	—	1	—	—	1	—	2	—	4
Proposed posts 2011/12	—	1	—	—	1	—	2	—	4
Net change	—	—	—	—	—	—	—	—	—
Total (I-III)									
Approved 2010/11	—	—	—	—	—	—	—	—	838
Proposed 2011/12	—	—	—	—	—	—	—	—	838
Net change	—	—	—	—	—	—	—	—	—

Component 3: United Nations police

17. The United Nations police will continue to focus on promoting trust between the two communities and on activities related to the civilian use of the buffer zone. The United Nations police will strengthen their support to the other components by enhancing their patrolling activities. They will continue to build on their relationships with the police and other authorities as well as non-governmental organizations from both sides to develop more effective anti-crime strategies and facilitate, as necessary, the investigation of crimes committed in the buffer zone. The United Nations police will continue to explore ways to promote cooperation between police authorities from both sides in relation to the criminal activities that affect the two communities. They will continue to support the good offices in relation to the implementation of confidence-building measures, facilitation of the Technical Committee on Crime and Criminal Matters and the Joint Communications Room. They will also provide support for the operation of the Limnitis crossing point.

Expected accomplishments	*Indicators of achievement*
3.1 Enhanced law enforcement in the United Nations buffer zone	3.1.1 Increase in the number of incidents/violations reported as a result of increased preventative measures (2009/10: 501; 2010/11: 575; 2011/12: 661)
	3.1.2 Increase in the number of people crossing from both sides without incidents of violations (2009/10: 2.2 million; 2010/11: 2.4 million; 2011/12: 2.6 million)

Outputs

- 5,856 United Nations police patrol days (2 officers x 8 police stations x 366 days)
- 3,900 United Nations police days of humanitarian assistance to Greek Cypriots and Maronites in the north, Turkish Cypriots in the south and both communities in the buffer zone (15 police officers x 5 days per week x 52 weeks)

- 52 United Nations police days (1 police officer per week x 52 weeks) for the weekly collection of crossing-point figures
- 728 United Nations police days for the facilitation of escorts at the new crossing point at Limnitis (2 police officers per day x 7 days per week x 52 weeks)

External factors

Police authorities of both sides will cooperate

Table 4
Human resources: component 3, United Nations police

Category									*Total*
I. Military contingents									—
II. United Nations police									
Approved 2010/11									62
Proposed 2011/12									62
Net change									—
	International staff								
III. Civilian staff	*USG-ASG*	*D-2-D-1*	*P-5-P-4*	*P-3-P-2*	*Field Service*	***Subtotal***	*National staff*	***Total***	
Office of the Senior Police Adviser									
Approved posts 2010/11	—	—	1	—	—	1	1	2	
Proposed posts 2011/12	—	—	1	—	—	1	1	2	
Net change	—	—	—	—	—	—	—	—	
Total (I-III)									
Approved 2010/11									64
Proposed 2011/12									64
Net change									—

Component 4: support

18. During the budget period, the support component of the Force will provide efficient, cost-effective administrative services in support of the implementation of the Force's mandate through the delivery of related outputs and the implementation of service improvements, as well as the realization of efficiency gains. Support will be provided to the authorized strength of 860 contingent personnel and 69 United Nations police as well as to the civilian establishment of 39 international and 113 national staff. The range of support will comprise all support services, including HIV/AIDS programmes, personnel administration, finance services, health care, upgrading of troop accommodation facilities, information technology and communications, air and surface transportation, supply and resupply operations, as well as provision of security services Force-wide.

Expected accomplishments	*Indicators of achievement*
4.1 Effective and efficient logistical, administrative and security support to the Mission	4.1.1 Inventory value of mission assets awaiting write-off or disposal as of 30 June 2012 does not exceed 2.5 per cent of the total inventory value of assets (2009/10: 1.48 per cent; 2010/11: 2.5 per cent)
	4.1.2 One hundred per cent physical verification of non-expendable mission assets by the end of the financial year (2009/10: 100 per cent; 2010/11: 100 per cent)
	4.1.3 Reduction in the number of traffic accidents involving UNFICYP vehicles (2009/10: 6 per month; 2010/11: 5 per month; 2011/12: 4 per month)
	4.1.4 Reduction in power and water consumption by 12.5 per cent at the pilot projects proposed at Roca Camp and Camp Szent István (2009/10: 974,128 kilowatts and 11,886 m^3; 2010/11: 852,362 kilowatts and 13,156 m^3; 2011/12: 852,346 kilowatts and 10,400 m^3)

Outputs

Service improvements

- Implementation of timely updates of the Galileo asset management system by self-accounting units
- Implementation of an ongoing road safety programme and driver testing for all United Nations personnel
- Implementation of an environmental conservation pilot project

Military, police and civilian personnel

- Emplacement, rotation and repatriation of 860 troops and 69 United Nations police officers
- Verification, inspection and monitoring of contingent-owned equipment and self-sustainment in respect of 860 military contingent personnel and issuance of verification reports
- Supply and storage of rations for 812 military contingent personnel (excluding staff officers) at 6 military positions
- Administration of 152 civilian staff, comprising 39 international staff and 113 national General Service staff
- Implementation of a conduct and discipline programme for all military, police and civilian personnel including training, prevention, monitoring and recommendations on remedial action where misconduct has occurred

Facilities and infrastructure

- Maintenance and repair of Force headquarters premises, 17 military and 8 United Nations police facilities, including completion of 2,500 service requests
- Improvement in the accommodation standards at Camp Szent István (sector 4) through the replacement of prefabricated accommodation units
- Maintenance and repair of 75 kilometres of patrol tracks

- Completion of 4,600 square metres of asphalting within United Nations Protected Area and Camp Saint Martin (sector 1)
- Operation and maintenance of 89 generators
- Maintenance of 21 helipads in accordance with International Civil Aviation Organization standards
- Supply of 157,200 litres of diesel and 190,000 litres of heating fuel, oil and lubricants for generators
- Construction of a high voltage substation in the United Nations Protected Area
- Implementation of a first response air crash safety and rescue programme

Ground transportation

- Maintenance and operation of 343 vehicles, including 9 armoured vehicles at Force headquarters (102 United Nations-owned, 39 contingent-owned and 202 rented vehicles)
- Supply of 69,300 litres of petrol and 877,614 litres of diesel fuel oil and lubricants

Air transportation

- Operation and maintenance of 3 helicopters (including 1 provided at no cost as reserve to replace either of the 2 helicopters during maintenance and other periods of downtime)
- Supply of 257,534 litres of aviation fuel

Communications

- Support and maintenance of the communications network, consisting of 3 satellite Earth stations, 13 private automatic branch exchange (PABX) telephone systems, 21 repeaters, 364 mobile radios, 310 handheld radios, 24 wideband digital microwave links and 8 narrowband digital microwave links

Information technology

- Support and maintenance of the information technology network, consisting of 1 local-area network at UNFICYP headquarters and 3 wide-area networks, 381 desktops/Virtual Desktop Infrastructure Thin Clients, 45 laptops, 77 printers and 16 servers
- Support and maintenance of all mission critical software applications
- Support and maintenance of the wireless area network

Medical

- Operation, maintenance and management of 6 level-I medical facilities (2 contingent-owned medical centres and 4 United Nations-owned medical facilities)
- Maintenance of mission-wide land and air evacuation arrangements with medical facilities in the north and south, including level-I medical facilities at all United Nations locations
- Training of counsellors within the Force and establishment of HIV voluntary confidential counselling and testing facilities for all mission personnel
- HIV sensitization programme, including mandatory induction training for all new personnel, as well as refresher training and peer education for all mission personnel

Security

- Submission of security incident reports at the time of occurrence, and of quarterly reports and returns, including quarterly incident reports, staff lists and briefing notes, as required, to the Department of Safety and Security
- Biannual update of the country-specific security plan, security risk assessments and minimum operating security standards
- Conduct of annual warden training and security-related tabletop exercises
- Investigation of security incidents and provision of advice to mission personnel and their dependants and to the personnel of 6 United Nations agencies, funds and programmes
- Induction security training and primary fire training/drills for all new mission staff

External factors

Vendors/contractors/suppliers will be able to deliver goods and services as contracted

Table 5
Human resources: component 4, support

Category								**Total**
I. Military contingents								
Approved 2010/11								**26**
Proposed 2011/12								**26**
Net change								**—**
II. United Nations police								**—**
	International staff							
III. Civilian staff	*USG-ASG*	*D-2-D-1*	*P-5-P-4*	*P-3-P-2*	*Field Service*	***Subtotal***	*National staff*	***Total***
Security Section								
Approved posts 2010/11	—	—	1	—	1	**2**	1	**3**
Proposed posts 2011/12	—	—	1	—	1	**2**	3	**5**
Net change	—	—	—	—	—	**—**	**2**	**2**
Mission Support Division								
Approved posts 2010/11	—	1	4	2	15	**22**	99	**121**
Proposed posts 2011/12	—	1	4	2	15	**22**	97	**119**
Net change	—	—	—	—	—	**—**	**(2)**	**(2)**
Subtotal, civilian staff								
Approved posts 2010/11	—	1	5	2	16	**24**	100	**124**
Proposed posts 2011/12	—	1	5	2	16	**24**	100	**124**
Net change	—	—	—	—	—	**—**	**—**	**—**
Total (I-III)								
Approved 2010/11								**150**
Proposed 2011/12								**150**
Net change								**—**

Security Section

National staff: increase of 2 posts

19. Following the decision of the Department of Field Support and the Department of Safety and Security that fire safety functions should be the responsibility of the Security Section, it is proposed that all fire safety-related services and personnel (two national General Service staff), currently in the Engineering Section of the Integrated Support Services, be redeployed to the Fire Safety Unit in the Security Section. The Fire Safety Unit will coordinate with the host Government and other relevant fire authorities on fire standards and fire mitigation and response; produce fire threat and risk assessments; recommend risk mitigation measures; give input on fire mitigation measures to be incorporated in facility design; conduct fire safety inspections and produce inspection reports; provide recommendations to bring United Nations facilities into line with international and host country fire and safety standards; develop facility evacuation plans; and conduct and assess fire evacuation drills.

Mission Support Division

National staff: decrease of 2 posts

Office of the Chief

20. In previous periods the functions of the Budget Unit have been under the supervision of the Chief Finance Officer. To bring UNFICYP into line with the policy applied to all other peacekeeping missions, where the functions of finance and budget are separate, it is proposed that one national General Service post, currently fulfilling the budget function, be redeployed from the Finance Section to the Office of the Chief of Mission Support.

Finance Section

21. As mentioned in the preceding paragraph, it is proposed that one national General Service post be redeployed from the Finance Section to the Office of the Chief of Mission Support.

Integrated Support Services

22. For the Integrated Support Services, the following changes are proposed: (a) the redeployment of two National Staff posts from the Engineering Section to the Security Section, as reflected in paragraph 19 above; and (b) a change in the mission's organizational structure establishing the Information and Communications Technology Services, formerly the Communication and Information Technology Section of the Integrated Support Services, and placing it under the reporting line of the Chief of Mission Support.

II. Financial resources

A. Overall

(Thousands of United States dollars. Budget year is 1 July to 30 June.)

				Variance	
	Expenditures (2009/10)	*Apportionment (2010/11)*	*Cost estimates (2011/12)*	*Amount*	*Percentage*
Category	*(1)*	*(2)*	*(3)*	*(4)=(3)-(2)*	*(5)=(4)÷(2)*
Military and police personnel					
Military observers	—	—	—	—	—
Military contingents	19 622.7	21 072.6	20 773.1	(299.5)	(1.4)
United Nations police	2 864.6	3 176.6	3 096.6	(80.0)	(2.5)
Formed police units	—	—	—	—	—
Subtotal	**22 487.3**	**24 249.2**	**23 869.7**	**(379.5)**	**(1.6)**
Civilian personnel					
International staff	6 715.5	6 795.9	6 624.5	(171.4)	(2.5)
National staff	8 503.1	8 694.7	7 969.8	(724.9)	(8.3)
United Nations Volunteers	—	—	—	—	—
General temporary assistance	117.1	192.0	192.0	—	—
Subtotal	**15 335.7**	**15 682.6**	**14 786.3**	**(896.3)**	**(5.7)**
Operational costs					
Government-provided personnel	—	—	—	—	—
Civilian electoral observers	—	—	—	—	—
Consultants	—	—	19.1	19.1	—
Official travel	238.7	425.2	388.7	(36.5)	(8.6)
Facilities and infrastructure	7 345.4	8 195.5	8 616.9	421.4	5.1
Ground transportation	3 536.4	3 338.7	3 583.2	244.5	7.3
Air transportation	1 428.0	1 836.4	1 960.1	123.7	6.7
Naval transportation	—	—	—	—	—
Communications	786.9	844.5	823.9	(20.6)	(2.4)
Information technology	859.1	787.9	783.7	(4.2)	(0.5)
Medical	313.7	372.6	357.1	(15.5)	(4.2)
Special equipment	0.5	—	21.8	21.8	—
Other supplies, services and equipment	967.0	593.1	534.4	(58.7)	(9.9)
Quick-impact projects	—	—	—	—	—
Subtotal	**15 475.7**	**16 393.9**	**17 088.9**	**695.0**	**4.2**
Gross requirements	**53 298.7**	**56 325.7**	**55 744.9**	**(580.8)**	**(1.0)**
Staff assessment income	2 527.3	2 555.7	2 404.2	(151.5)	(5.9)
Net requirements	**50 771.4**	**53 770.0**	**53 340.7**	**(429.3)**	**(0.8)**
Voluntary contributions in kind (budgeted)[a]	1 327.7	1 830.6	1 692.2	(138.4)	(7.6)
Total requirements	**54 626.4**	**58 156.3**	**57 437.1**	**(719.2)**	**(1.2)**

[a] Cost estimates for 2011/12 are inclusive of $1,692,200 from the Government of Cyprus.

B. Non-budgeted contributions

23. The estimated value of non-budgeted contributions for the period from 1 July 2011 to 30 June 2012 is as follows:

(Thousands of United States dollars)

Category	*Estimated value*
Status-of-forces agreement[a]	303.7
Voluntary contributions in kind (non-budgeted)	—
Total	**303.7**

[a] Inclusive of market value, as estimated by UNFICYP, of the cost of United Nations observation posts and office and accommodation facilities provided by the Government of Cyprus to the Force at no cost for military contingents and United Nations police, including UNFICYP headquarters complex.

C. Efficiency gains

24. The cost estimates for the period from 1 July 2011 to 30 June 2012 take into account the following efficiency initiatives:

(Thousands of United States dollars)

Category	*Amount*	*Initiative*
Energy and water consumption	22.2	Reduction in consumption of power by 12.5 per cent as a result of the pilot projects proposed for Roca Camp and Camp Szent István
Total	**22.2**	

D. Vacancy factors

25. The cost estimates for the period from 1 July 2011 to 30 June 2012 take into account the following vacancy factors:

(Percentage)

Category	*Actual 2009/10*	*Budgeted 2010/11*	*Projected 2011/12*
Military and police personnel			
Military contingents	0.8	—	1
United Nations police	—	—	—
Civilian personnel			
International staff	2.6	5	5
National staff	2.7	2	2

E. Contingent-owned equipment: major equipment and self-sustainment

26. Requirements for the period from 1 July 2011 to 30 June 2012 are based on standard reimbursement rates for major equipment (wet lease) and self-sustainment in the total amount of $1,387,300 as follows:

(Thousands of United States dollars)

Category	*Estimated amount*
Major equipment	
Military contingents	1 217.1
Self-sustainment	
Facilities and infrastructure	170.2
Total	**1 387.3**

Mission factors	*Percentage*	*Effective date*	*Last review date*
A. Applicable to mission area			
Extreme environmental condition factor	—	—	—
Intensified operational condition factor	—	—	—
Hostile action/forced abandonment factor	—	—	—
B. Applicable to home country			
Incremental transportation factor	0.25-3.75		

F. Training

27. The estimated resource requirements for training for the period from 1 July 2011 to 30 June 2012 are as follows:

(Thousands of United States dollars)

Category	*Estimated amount*
Official travel	
Official travel, training	131.0
Other supplies, services and equipment	
Training fees, supplies and services	42.0
Total	**173.0**

28. The number of participants planned for the period from 1 July 2011 to 30 June 2012, compared to previous periods, is as follows:

(Number of participants)

	International staff			*National staff*			*Military and police personnel*		
	Actual 2009/10	*Planned 2010/11*	*Proposed 2011/12*	*Actual 2009/10*	*Planned 2010/11*	*Proposed 2011/12*	*Actual 2009/10*	*Planned 2010/11*	*Proposed 2011/12*
Internal	—	43	57	—	66	70	—	—	17
External[a]	21	24	24	9	20	8	—	—	—
Total	**21**	**67**	**81**	**9**	**86**	**78**	**—**	**—**	**17**

[a] Includes the United Nations Logistics Base at Brindisi, Italy, and outside the mission area.

29. The proposed provision of $173,000 for the 2011/12 period takes into account the primary focus of the Force's training programme in strengthening the leadership skills of senior staff in the management of resources, through various internal and external training programmes to enhance skills in finance, human resources management, communications and information technology and procurement and property management.

III. Analysis of variances[1]

30. The standard terminology applied with respect to the analysis of resource variances in this section is defined in annex I.B of the present report. The terminology used remains the same as in previous reports.

	Variance	
Military contingents	($299.5)	(1.4%)

- **Cost parameters: application of the United Nations operational rate of exchange**

31. The variance is attributable primarily to the application of the United Nations rate exchange of €0.761 per United States dollar as at 31 December 2010, compared with €0.70 based on the World Bank forecast for 2011 in the 2010/11 budget.

	Variance	
International staff	($171.4)	(2.5%)

- **Cost parameters: application of the United Nations operational rate of exchange**

32. The variance is primarily attributable to reduced common staff costs resulting from the fluctuation in the exchange rate between the Euro and the United States dollar. A delayed recruitment factor of 52 per cent has been applied to the estimates.

[1] Resource variance amounts are expressed in thousands of United States dollars. Analysis is provided for variances of at least plus or minus 5 per cent or $100,000.

	Variance	
National staff	($724.9)	(8.3%)

- **Cost parameters: application of the United Nations operational rate of exchange**

33. The variance is attributable primarily to the application of the United Nations rate exchange of €0.761 per United States dollar as at 31 December 2010, compared with €0.70 based on the World Bank forecast for 2011 in the 2010/11 budget.

	Variance	
Consultants	19.1	—

- **Management: increased inputs and outputs**

34. The increase relates to requirements for a consultant for a four-month period to assist in the completion of the UNFICYP environmental base study.

	Variance	
Official travel	($36.5)	(8.6%)

- **Management: reduced inputs and outputs**

35. The decrease is attributable primarily to reduced requirements for travel to New York by the Force Commander for briefing and de-briefing as well as reduced requirements for training-related travel owing to efforts by UNFICYP to provide local training options.

	Variance	
Facilities and infrastructure	$421.4	5.1%

- **External: implementation of new contractual arrangements**

36. The variance is attributable primarily to additional requirements for maintenance services in accordance with the terms of the new contracts for catering, cleaning and waste management services. The variance is offset in part by reduced requirements for construction services and maintenance supplies.

	Variance	
Ground transportation	$244.5	7.3%

- **External: implementation of new contractual arrangements and increased market costs**

37. The variance is attributable primarily to additional requirements for the rental of vehicles in accordance with current contractual arrangements and the increase of diesel fuel costs to $0.70 per litre in the south and $1.12 in the north (compared with $0.60 in the south and $1.00 in the north in the 2010/11 budget). The increased requirements are offset in part by the non-requirement for the acquisition of vehicles, as medium passenger buses and engineering and material handling equipment were acquired in the 2010/11 budget year.

	Variance	
Air transportation	$123.7	6.7%

• **External: increased market costs**

38. The variance is attributable primarily to additional requirements for the rental and operation of helicopters, owing to the renewal of the letter-of-assist contractual arrangements at higher hourly rates.

	Variance	
Special equipment	$21.8	—

• **Management: increased inputs and outputs**

39. The increase is primarily attributable to requirements for the replacement of obsolete observation equipment.

	Variance	
Other supplies, services and equipment	($58.7)	(9.9%)

• **Management: reduced inputs and same outputs**

40. The variance is attributable primarily to the discontinuation of other services to military contingent personnel which will become the responsibility of each troop-contributing country.

IV. Actions to be taken by the General Assembly

41. **The actions to be taken by the General Assembly in connection with the financing of UNFICYP are:**

(a) **Appropriation of the amount of $55,744,900 for the maintenance of the Force for the 12-month period from 1 July 2011 to 30 June 2012, including $24,284,034 to be funded from voluntary contributions from the Government of Cyprus ($17,784,034) and from the Government of Greece ($6.5 million);**

(b) **Assessment of the amount of $31,460,866 representing the balance of the appropriation in paragraph (a) above, at a monthly rate of $2,621,738, should the Security Council decide to continue the mandate of UNFICYP.**

V. Summary of follow-up action taken to implement the decisions and requests of the General Assembly in its resolutions 64/269 and 64/274 and requests and recommendations of the Advisory Committee on Administrative and Budgetary Questions endorsed by the General Assembly, and of the United Nations Board of Auditors

A. General Assembly

(Resolution 64/269)

Decisions and requests addressed to the Secretary-General	*Action taken to implement decisions and requests*
Section I: budget presentation and financial management	
Reaffirms that budget submissions should reflect management improvements and efficiency gains to be achieved and should present future strategies in that regard [para. 10].	Management improvements and efficiency gains to be achieved and future strategies are included in the Force's 2011/12 budget proposals (see paras. 10 and 24 above).
Stresses the importance of further steps by the Secretary-General towards improving budget presentations and making more accurate forecasts [para. 11].	The Secretary-General makes every effort to improve budget presentations and to make more accurate forecasts.
Notes with concern the significant amount of prior-period obligations cancelled by several missions, and reiterates its request that the Secretary-General improve control over obligations [para. 15].	UNFICYP conducts a monthly review of all its obligations, with the cooperation of all certifying and approving officers.

(Resolution 64/274)

Decisions and requests addressed to the Secretary-General	*Action taken to implement decisions and requests*
Requests the Secretary-General to ensure that proposed peacekeeping budgets are based on the relevant legislative mandates [para. 9].	UNFICYP confirms that its budget is based on its approved mandate.

B. Advisory Committee on Administrative and Budgetary Questions

(A/64/660)

Request	*Response*
The Advisory Committee welcomed the effort to refine the budget presentation and looked forward to continued improvement. However, in the Committee's view, the section on planning assumptions should be further developed so as to provide a more accessible narrative which would give a clearer presentation of overall resource requirements and programmatic aspects and describe not only planned initiatives but also the linkage to current operational requirements [para. 16].	UNFICYP is in compliance with the recommendations of the Advisory Committee.
The Advisory Committee continued to believe that the scope of efficiencies could be expanded to include other components. Furthermore, the Committee noted a continued lack of clarity as to what exactly constitutes an efficiency gain. In that connection, the Committee reiterated that a distinction must be made between savings, which are in essence cost reductions achieved through efficiency measures, and underexpenditures, which may be a reflection of delays in the implementation of programmed activities or their non-implementation (see A/63/746, para. 16). The Committee noted the definition of efficiency gains put forward by the Secretary-General (see A/64/643, para. 60). The Committee broadly viewed efficiency gains as the achievement of the same result with fewer resources [para. 20].	Efficiency gains are anticipated through the implementation of a pilot project at Camp Roca and Camp Szent István which is expected to reduce power and water consumption by 12.5 per cent at these camps.
The Committee emphasized that, as a rule, general temporary assistance funding should be used in exceptional and/or peak workload circumstances, for the replacement of staff on maternity or sick leave, or for time-limited projects (see A/63/841, para. 56). Although exceptions were sometimes made by the General Assembly or recommended by the Committee, general temporary assistance funding should not be sought for functions of a continuing nature or for long periods. Furthermore, requests for general temporary assistance funding should not be resubmitted repeatedly for the same function, nor should recommendations in favour of such funding be viewed as carrying with them the expectation of conversion to posts in the next budget period. The Committee was concerned that that funding mechanism was increasingly being misused, with the result that the budgeting for personnel had become less transparent. The Committee recommended that future requests include an explanation for the continued use of general temporary assistance funding for a particular	UNFICYP is in compliance with the recommendation.

function, as well as an indication of the length of time the function had been carried out using such funding. Moreover, requests for conversion in missions that were drawing down should be made only in exceptional circumstances [para. 48].	
The Advisory Committee saw merit in the proposal to strengthen and formalize the regional coordination of information and communications technology services in UNIFIL, UNDOF, UNFICYP and UNTSO and requested that a progress report be provided in the next overview report of the Secretary-General [para. 66].	Updated information has been provided in the overview report (see A/64/715, para. 66).

(A/64/660/Add.5)

Request	*Response*
The Committee reiterated the need for the expeditious implementation of the relevant recommendations of the Board of Auditors [para. 3].	UNFICYP endeavours to implement recommendations of the Board of Auditors in a timely manner. For example, 11 recommendations were issued by the Board for the 2008/09 period. Of these, nine have been implemented and closed while two remain outstanding.
The Committee expected that the pending (death and disability) claim would be settled expeditiously [para. 10].	The outstanding death and disability claim was settled in the 2009/10 budget period.
The Committee regretted that the review of the structure of UNFICYP and the Secretary-General's good offices had not been undertaken, and expected that, as a matter of good management practice, the review would be carried out on a priority basis and reported in both the next budget submission for special political missions and the next budget submission for UNFICYP. Furthermore, in mission areas where there was more than one such United Nations entity, detailed information concerning coordination, synergies and shared support arrangements should be routinely provided in the budget presentations [para. 16].	The review of the structure of UNFICYP and the Secretary-General's good offices is presented in annex III to the present report.
The Committee recommended that lessons learned with respect to the use of commercial flights rather than charter flights for the rotation of one of the contingent units be shared for possible application to other missions, where feasible [para. 24].	UNFICYP continues to rotate one of its contingents using commercial flights.
The Committee noted the progress made thus far in the two renovation projects and trusted that every effort would be made to complete them [para. 32].	The renovation projects at the Ledra Palace Hotel and Camp Saint Martin are ongoing.

C. Board of Auditors

(A/64/5 (Vol. II))

Recommendations	*Implementation*
The Board reiterated its recommendation that all missions comply strictly with the Financial Regulations and Rules of the United Nations relating to the criteria for the creation and cancellation of obligations [para. 33].	UNFICYP is in full compliance with the audit recommendation. As a standard procedure, monthly reports of unliquidated obligations are issued to all account holders and certifying officers for review.
The Board recommended that UNFICYP comply strictly with the delegation of authority for core requirements [para. 119].	The recommendation has been implemented (Headquarters Committee on Contracts meetings of September and October 2009).
The Board recommended that UNFICYP comply with the requirements of the rations contracts relating to substitutions or variations of food rations as well as food safety reports [para. 261].	The recommendation was implemented in January 2010.
The Board recommended that UNFICYP expedite all requests for the classification and reclassification of posts [para. 332].	The recommendation has been implemented. All requests for classification and reclassification of posts in UNFICYP were submitted to the Office of Human Resources Management in 2008/09. Those requests were processed by the Field Personnel Division of the Department of Field Support, which has taken over from the Office of Human Resources Management the responsibility of reviewing and approving classification and reclassification of posts in field missions. Currently there are no cases pending with the Mission.

Annex I

Definitions

A. Terminology related to proposed changes in human resources

The following terminology has been applied with regard to proposed changes in human resources (see sect. I of the present report).

- **Post establishment:** a new post is proposed to be established when additional resources are necessary and when it is not possible to redeploy resources from other offices or otherwise accommodate specific activities from within existing resources
- **Post reassignment:** an approved post that was intended to cover a certain function is proposed to implement other priority mandated activities unrelated to the original function. While a post reassignment may involve a change of location or office, it does not change the category or level of the post
- **Post redeployment:** an approved post is proposed to be redeployed to cover comparable or related functions in another office
- **Post reclassification:** an approved post is proposed to be reclassified (upgraded or downgraded) when the duties and responsibilities of the post have changed substantially
- **Post abolishment:** an approved post is proposed to be abolished if it is no longer needed to implement the activities for which it was approved or to implement other priority mandated activities within the mission
- **Post conversion:** three possible options for post conversion are as follows:
  - Conversion of general temporary assistance positions to posts: approved positions financed under general temporary assistance are proposed for conversion to posts if the functions being performed are of a continuing nature
  - Conversion of individual contractors or individuals on procurement contracts to national staff posts: taking into account the continuing nature of certain functions, in line with section VIII, paragraph 11, of General Assembly resolution 59/296, individual contractors or individuals on procurement contracts are proposed for conversion to national staff posts
  - Conversion of international staff posts to national staff posts: approved international staff posts are proposed for conversion to national staff posts

B. Terminology related to variance analysis

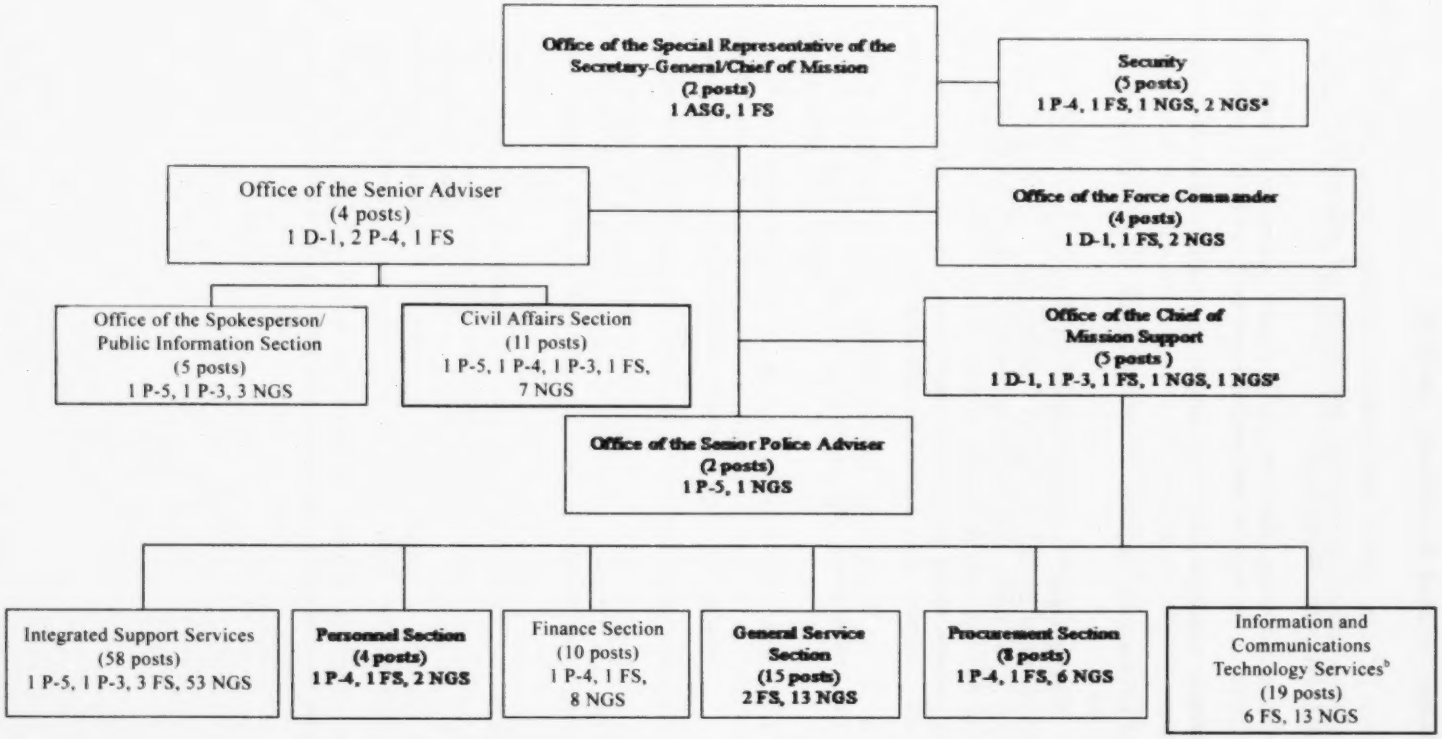
Section III of the present report indicates the single largest contributing factor of each resource variance according to specific standard options encompassed in the four standard categories listed below:

- **Mandate:** variances caused by changes in the scale or scope of the mandate, or changes in the expected accomplishments as driven by the mandate
- **External:** variances caused by parties or situations external to the United Nations
- **Cost parameters:** variances caused by United Nations regulations, rules and policies
- **Management:** variances caused by management actions to achieve planned results more effectively (e.g., by reprioritizing or adding certain outputs) or efficiently (e.g., by taking measures to reduce personnel or operational inputs while maintaining the same level of outputs) and/or from performance-related issues (e.g., by having underestimated the costs or quantities of inputs required to produce a certain level of outputs, or by delayed recruitment)

Annex II

Organization charts

A. Substantive and administrative offices

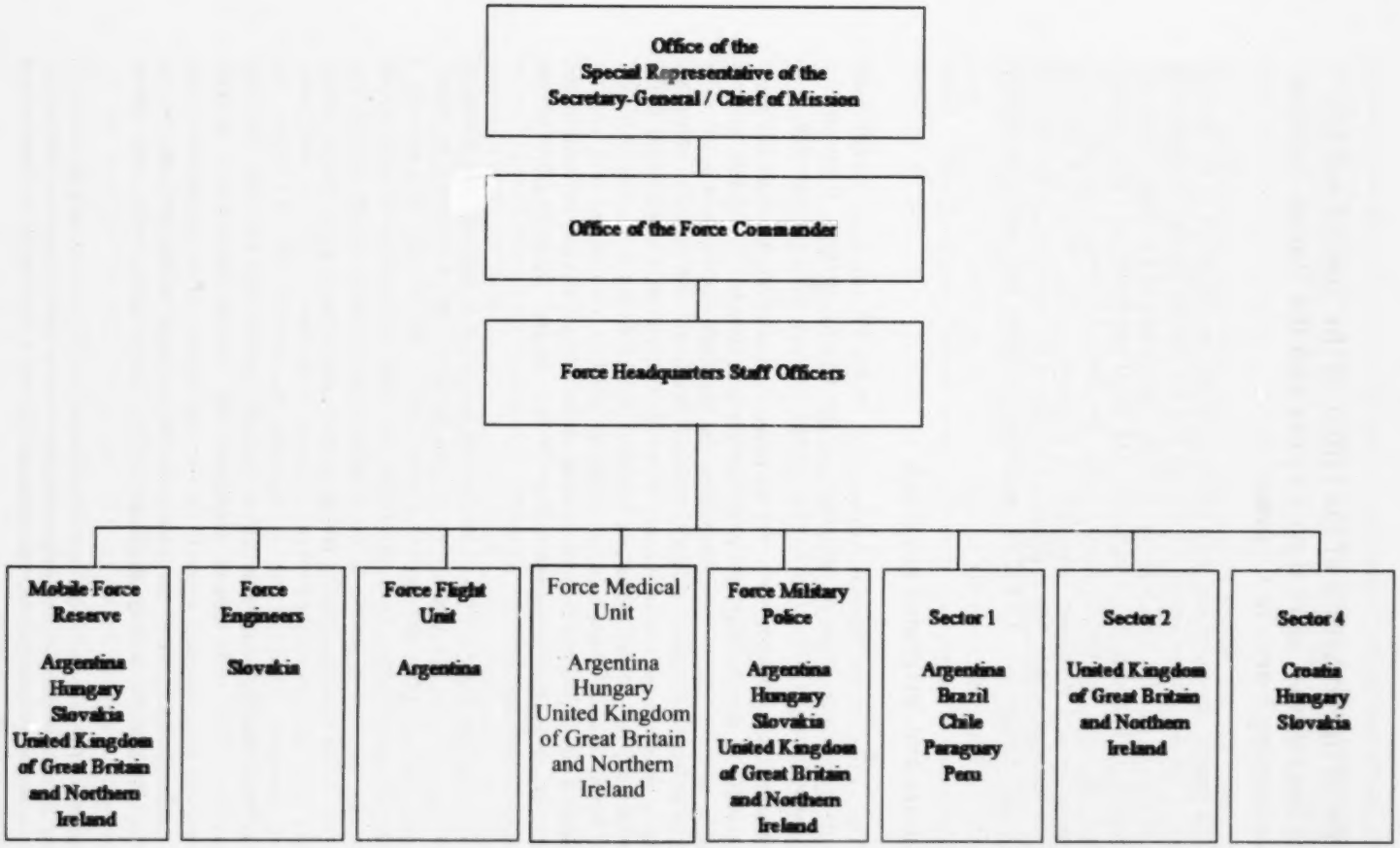

Office of the Special Representative of the Secretary-General/Chief of Mission
(2 posts)
1 ASG, 1 FS
Security
(5 posts)
1 P-4, 1 FS, 1 NGS, 2 NGS[a]
Office of the Senior Adviser
(4 posts)
1 D-1, 2 P-4, 1 FS
Office of the Force Commander
(4 posts)
1 D-1, 1 FS, 2 NGS
Office of the Spokesperson/ Public Information Section
(5 posts)
1 P-5, 1 P-3, 3 NGS
Civil Affairs Section
(11 posts)
1 P-5, 1 P-4, 1 P-3, 1 FS, 7 NGS
Office of the Chief of Mission Support
(5 posts)
1 D-1, 1 P-3, 1 FS, 1 NGS, 1 NGS[a]
Office of the Senior Police Adviser
(2 posts)
1 P-5, 1 NGS
Integrated Support Services
(58 posts)
1 P-5, 1 P-3, 3 FS, 53 NGS
Personnel Section
(4 posts)
1 P-4, 1 FS, 2 NGS
Finance Section
(10 posts)
1 P-4, 1 FS, 8 NGS
General Service Section
(15 posts)
2 FS, 13 NGS
Procurement Section
(8 posts)
1 P-4, 1 FS, 6 NGS
Information and Communications Technology Services[b]
(19 posts)
6 FS, 13 NGS

Abbreviations: ASG: Assistant Secretary-General; D: Director; P: Professional; FS: Field Service; NGS: national General Service.

[a] Redeployment.

[b] Formerly Communications and Information Technology Section.

B. Military component



Annex III

Review of the structure of the Office of the Special Adviser to the Secretary-General on Cyprus and the United Nations Peacekeeping Force in Cyprus

1. The present document has been jointly prepared by the Office of the Special Adviser to the Secretary-General on Cyprus and the United Nations Peacekeeping Force in Cyprus (UNFICYP), together with the Department of Political Affairs, the Department of Peacekeeping Operations and the Department of Field Support pursuant to the recommendations made by the Advisory Committee on Administrative and Budgetary Questions in its reports (A/63/746/Add.9, para. 25 and A/64/660/Add.5, para. 16). It presents a review of the structures of the Office of the Special Adviser and UNFICYP, outlining synergies and complementarities between the two.

A. Mandates and integrated approach

2. The Office of the Special Adviser and UNFICYP share an overall goal: supporting the comprehensive settlement of the Cyprus problem. However, the specific mandates and tasks of each, while complementary, differ considerably.

3. The mandate of UNFICYP is, "in the interest of preserving international peace and security, to use its best efforts to prevent a recurrence of fighting and, as necessary, to contribute to the maintenance and restoration of law and order and a return to normal conditions" (Security Council resolution 186 (1964)). UNFICYP also has a humanitarian role in support of the Greek Cypriots and Maronites living in the northern part of the island and Turkish Cypriots living in the southern part. UNFICYP is mainly composed of military, police, civil affairs and support personnel. A small political component (one senior adviser and one political affairs officer) serves as the immediate office of the Special Representative of the Secretary-General and head of UNFICYP.

4. The mandate of the Office of the Special Adviser is to support the conduct of negotiations between the Greek Cypriot and Turkish Cypriot leaders.[2] In March 2008 the Greek Cypriot and Turkish Cypriot leaders agreed on a path towards a comprehensive settlement. They established six working groups to initiate a review of the key substantive points to be negotiated (governance and power-sharing, European Union matters, security and guarantees, territory, property and economic matters). They also established seven technical committees to work on confidence-building measures aimed not only at improving the everyday life of Cypriots, but also at encouraging and facilitating greater interaction between the two communities. The two leaders requested the United Nations to "provide infrastructure and personnel support" for the negotiations. After approximately four months of preparatory work, the leaders decided to begin full-fledged negotiations on 3 September 2008, with the facilitation of the Secretary-General's good offices.

[2] The indicators of achievement of the good offices mission are (a) parties reaching agreement on core and substantive issues; (b) intensified discussions in the technical committees and working groups, as well as at the level of the representatives of the two leaders; and (c) increased support from the international community.

Consequently, the Office of the Special Adviser consists of political affairs officers and thematic experts, whose main task is to provide in-house expertise and facilitate the negotiation process, including support for the working groups and technical committees and the chairing of the meetings of the leaders and of their representatives, as requested by the two leaders.

5. While there is close cooperation between UNFICYP and the Office of the Special Adviser in supporting the peace negotiations, there is no overlap between the two missions. UNFICYP, with its present mandate and structure, is not equipped to provide direct support to the negotiations. It does, however, play a vital role in support of the peace process by ensuring a stable environment conducive to the negotiation process. The Office of the Special Adviser also relies on the support of UNFICYP in the areas where it has the necessary capacity, such as crime and criminal matters, issues related to cultural heritage, communication, logistics and administration. In addition, the Special Representative of the Secretary-General and head of UNFICYP serves as the Deputy Special Adviser to the Secretary-General, which allows the United Nations to act coherently in pursuing its overall goal, as described above.

Synergies

6. In establishing the Office of the Special Adviser as a special political mission in Cyprus, the Secretary-General decided that the United Nations would adopt an integrated approach with a view to maximizing synergies between the respective missions and the United Nations country team. The Department of Political Affairs takes the lead on the activities of the Office of the Special Adviser, while the Department of Peacekeeping Operations is responsible for the implementation of the UNFICYP mandate. The Special Representative of the Secretary-General, as head of UNFICYP and deputy to the Special Adviser, ensures the coordinated support of UNFICYP and the country team for the good offices efforts. This allows the United Nations to act coherently in implementing a two-pronged strategy through the comparative advantages of its respective components. An internal "after-action review" of the United Nations support to the preparatory phase of the Cyprus peace process, conducted between March and August 2008, highlighted the effective functioning of the integrated approach. The review found this approach to be a positive example of the use of existing resources on the ground and considered it as a good practice. In particular, the review stressed that the integrated approach was facilitated by a clear understanding of the respective roles played by the Department of Political Affairs and the Department of Peacekeeping Operations and a deliberate effort to clarify the complementary roles of the two Departments.

B. The roles of the Special Adviser to the Secretary-General and the Special Representative of the Secretary-General

7. The Special Adviser serves as the principal United Nations official responsible for the Secretary-General's good offices and facilitation of the talks. The Special Adviser's mandate is to assist the parties in the conduct of full-fledged negotiations aimed at reaching a comprehensive settlement to the Cyprus problem. The Special Adviser reports to the Secretary-General through the Under-Secretary-General for Political Affairs. The staff of the Office of the Special Adviser report, through the

Coordinator, to the Special Adviser (or to the Deputy Special Adviser when the Special Adviser is off the island).

8. The Special Representative of the Secretary-General, as head of UNFICYP, is primarily responsible for the peacekeeping efforts and the United Nations country team in Cyprus. He/she also acts as the Deputy Special Adviser to the Secretary-General. On all issues relating to the good offices, the Deputy Special Adviser reports to the Special Adviser. On all other issues related to UNFICYP, he/she reports to the Secretary-General through the Under-Secretary-General for Peacekeeping Operations. UNFICYP staff report to the Special Representative of the Secretary-General and head of UNFICYP.

Synergies

9. The Special Representative of the Secretary-General and head of UNFICYP is the conduit for support provided by UNFICYP and the United Nations country team to the Office of the Special Adviser. In addition, bearing in mind that the Special Adviser is not resident in Cyprus, the Special Representative of the Secretary-General/Deputy Special Adviser is integrated into the functioning of the Office of the Special Adviser, so as to be able to facilitate seamless continuation of the negotiation process in the absence of the Special Adviser. The Special Representative of the Secretary-General also coordinates the activities of the country team, since there is no Resident Coordinator position in Cyprus. This ensures linkages between the official peace process and other peacebuilding efforts.

C. Office of the Special Adviser: substantive roles

1. Coordinator

10. The Coordinator of the Office of the Special Adviser has the overall responsibility for the smooth running of the good offices and the management of the operational and programmatic aspects of the process on a daily basis. This includes the management and supervision of staff; assisting the Special Adviser and Deputy Special Adviser in their contacts with relevant interlocutors at the local level with the two sides, the leaders and their representatives; and coordination of support to the technical committees, working groups and ad hoc expert groups. The Coordinator can be called on to facilitate such groups; to enter into shuttle diplomacy to help resolve outstanding issues and to assist the Special Adviser in maintaining contact with international stakeholders. The Coordinator also has overall responsibility for regular reporting to the Special Adviser and headquarters. In addition, the Coordinator acts as a senior adviser to the Special Adviser. The Coordinator participates in UNFICYP senior management group meetings to ensure coherence and operational integration between UNFICYP and the Office of the Special Adviser.

2. Political Affairs Officers (facilitators)

11. The negotiations revolve around six chapters: governance and power-sharing, property, European Union matters, economy, territory and security and guarantees. The Political Affairs Officers act as focal points for the six chapters. They facilitate and service the meetings held at the level of the representatives of the leaders and the experts, where these chapters are discussed. The role of the facilitators is to

provide advice to the Special Adviser on substantive matters; maintain contact with the parties' delegations; work closely with the Europe Division and Mediation Support Unit of the Department of Political Affairs to identify and fund experts to provide necessary thematic support to the ongoing process; prepare minutes of the meetings at the level of the representatives of the leaders and the experts, coordinate their scheduling and provide logistical support; keep track of papers and joint papers submitted by the parties; and report as required on relevant developments.

12. The Political Affairs Officers service seven technical committees that deal with issues that affect the day-to-day life of Cypriots: crime and criminal matters; economic and commercial matters; cultural heritage; crisis management; humanitarian matters; health; and environment. Among other things, they assist the technical committees and liaise with UNFICYP, the United Nations Development Programme and other United Nations agencies for the implementation of confidence-building measures agreed by the technical committees.

13. In addition to servicing and facilitating the meetings dealing with substantive issues and confidence-building measures, the Political Affairs Officers undertake several other tasks. They monitor and analyse political developments on both sides and maintain contacts with political actors and other local stakeholders to ascertain their thinking with regard to the talks. They monitor and analyse regional developments and trends and maintain contacts with regional and international players and the diplomatic community and provide briefings on the peace process. They draft reports and contribute to briefings by the Special Adviser and Deputy Special Adviser and keep United Nations Headquarters regularly updated on developments by providing clear and timely information on the peace process.

Synergies

14. UNFICYP provides facilitators to the technical committees in areas where it has expertise and competence, such as cultural heritage and crime and criminal matters.

3. Senior Political Affairs Officers (thematic experts) and consultants

15. The thematic experts provide in-house follow-up and expertise in specific areas (governance, economy and security and territory). They attend the meetings of the leaders and representatives when the focus is on their areas of expertise, prepare papers, as required, and advise the Special Adviser on a range of related issues, as may be requested.

16. The Office of the Special Adviser has had difficulty identifying experts who were willing to be recruited on a full-time basis against a P-5 post. Most high-level experts who were identified were only willing to provide assistance on a short-term basis. To that end, the Office decided to eliminate one of the P-5 posts in the 2010 budget in order to release funding for hiring short-term consultants as needed.

17. From time to time and on a short-term basis, the Office of the Special Adviser has needed to hire consultants to support its work, particularly (a) when highly specialized experience was required to supplement the work of the in-house experts, such as in the case of the property issue; or (b) when in-house expertise was not available for specific areas such as electoral law and federal systems. The consultants have played a fundamental role in support of the Special Adviser and the

good offices, providing assistance on an ad hoc basis to help the mission focus on complex issues under negotiation which require in-depth, specialized knowledge. Critically, these experts have also engaged with the experts and representatives of the two sides to elaborate ideas and discuss details of alternative policy options. In this way the consultants have contributed significantly to increasing convergences in key areas. To date, they have focused on governance and power-sharing and property matters. It is anticipated that expert consultants will be needed in other subject areas as negotiations progress.

D. UNFICYP: substantive roles

1. Office of the Senior Adviser

18. The Senior Adviser performs the functions of a civilian chief of staff of UNFICYP, coordinating the activities of the military, police and civilian components and directly overseeing the work of the civil affairs branch. He/she engages with authorities at the political level to pursue issues relating to the UNFICYP mandate. In this context the Senior Adviser is responsible, inter alia, for resolving outstanding issues regarding crossing points, bicommunal contacts, joint projects and resolution of incidents. He/she also coordinates UNFICYP activities in the context of contingency planning in relation to the settlement.[3]

19. The UNFICYP Political Affairs Officer carries out political tasks with a primary focus on the peacekeeping mission. In the absence of a dedicated Special Assistant, the Political Affairs Officer also supports the Special Representative of the Secretary-General in this capacity, undertaking assignments related, inter alia, to coordination with the United Nations agencies/programmes as well as contacts with the diplomatic community and other key interlocutors on UNFICYP issues. He/she prepares analytical cables, notes, background/strategy papers, talking points and briefings and contributes to reports, including to the Security Council, on matters pertaining to UNFICYP. The Political Affairs Officer advises on developments, including in relation to the European Union, which may have implications for the implementation of the UNFICYP mandate, and in the context of a possible settlement.

20. The UNFICYP Legal Adviser provides the peacekeeping mission with legal advice on substantive and procedural issues related to the mandate of UNFICYP, the status-of-forces agreement and administrative issues. Specifically, he provides legal expertise on substantive issues arising from the civilian activities in the buffer zone, including questions relating to the ownership of property or the use of land and other sensitive issues, which are often contested by both parties and could entail questions of liability. The Legal Adviser also advises on administrative and management matters, such as procurement contracts.

[3] In its resolutions 1873 (2009), 1898 (2009) and 1930 (2010), the Security Council noted the importance of contingency planning in relation to the settlement, including recommendations, as appropriate, for further adjustments to the UNFICYP mandate, force levels and concept of operations, taking into account developments on the ground and views of the parties, and requested the Secretary-General to report on contingency planning.

Synergies

21. In order to make good use of available expertise and institutional knowledge, the UNFICYP Senior Adviser and Political Affairs Officer have also been involved in the negotiation process, particularly as it pertains to the application of relevant UNFICYP expertise and to the role of the Deputy Special Adviser/Special Representative of the Secretary-General. For example, the Senior Adviser supervises substantive components of UNFICYP in their support to the good offices efforts to create an enabling environment for the negotiations, and assists the parties in devising and implementing confidence-building measures. The Political Affairs Officer supports the Special Representative of the Secretary-General in a broad range of activities in his/her capacity as Deputy Special Adviser. Furthermore, the Legal Adviser provides assistance to other United Nations entities operating in Cyprus, including the good offices mission, in the areas of procurement, human resources, supply and general services. Regarding property matters handled by the UNFICYP Legal Adviser, these are to be distinguished from the political discussions focused on the wider property issue addressed in the negotiation process. In the context of UNFICYP, questions relating to current property use and ownership are centred on individual cases as they arise and exclusively concern the civilian activities in the buffer zone. These specific cases are addressed with the aim of allowing owners free access to and use of properties while also respecting broader security concerns.

2. UNFICYP Public Information Office

22. The Public Information Office of UNFICYP also supports the Office of the Special Adviser, which does not have its own public information or media relations capacity. Given the importance of developing and maintaining a working relationship and fluid exchange with the local and international media, the Public Information Office supports the Office of the Special Adviser on a continual basis by providing situation/media summaries, monitoring and translating news in the Cypriot media and transcribing and distributing remarks of the Special Adviser or the Special Representative of the Secretary-General to Cypriot and international media following meetings of the leaders, among other tasks. The Special Adviser relies on the UNFICYP Spokesperson for all public information needs, including the establishment and maintenance of contacts with the media, the issuing of press releases and statements and the organization of media events. Furthermore, the UNFICYP Public Information Office established the good offices website and is responsible for its regular update and maintenance.

Synergies

23. The United Nations communications strategy is considered a critical factor for the overall success of the negotiation process. The use of the existing capacity of the UNFICYP Public Information Office for the good offices' needs achieves an effective synergy between the Office of the Special Adviser and UNFICYP.

3. UNFICYP Civil Affairs Branch

24. The overarching objective of the Civil Affairs Branch is to contribute to the fulfilment of UNFICYP's mandate to facilitate a "return to normal conditions" (Security Council resolution 186 (1964)). In the buffer zone, the Civil Affairs

Branch assists individuals authorized to reside on their land or wishing to access it for civilian purposes such as construction or farming. Its activities in this respect range from mediating the day-to-day administrative and security issues in the bicommunal village of Pyla to operating a permit scheme to enable legitimate use of land wherever this does not interfere with security or law and order concerns. Furthermore, the Civil Affairs Branch seeks to raise awareness among local populations of the location and dangers posed by minefields and escorts pilgrimages to religious sites. The Branch also facilitates and encourages bicommunal activities and the restoration or maintenance of cultural and religious sites in and outside the buffer zone. In addition, the Branch assists members of the Greek Cypriot community in the northern part of the island and members of the Turkish Cypriot community in the southern part of the island. The Branch is responsible for organizing the delivery of government welfare assistance, in the form of food items and pension checks, to the Greek Cypriot and Maronite communities in the Karpas and Kormakitis regions in the north.

Synergies

25. The institutional knowledge and activities of the UNFICYP Civil Affairs Branch help to create an enabling environment for the good offices-facilitated negotiations, and assist the parties in devising and implementing confidence-building measures. In particular, a staff member of the Branch facilitates the Technical Committee on Cultural Heritage, established by the two sides as part of the negotiation process, and assists the Committee in the formulation and implementation of confidence-building measures related to the preservation, protection and restoration of the cultural heritage of Cyprus and related educational programmes. The Branch also plays a lead role in the work of the Technical Committee on Health Matters.

4. UNFICYP police

26. The United Nations police force contributes to the maintenance and restoration of law and order in the buffer zone and supports the military component and the Civil Affairs Branch in activities related to the return to normal conditions within the buffer zone. The activities of the United Nations police include investigation of criminal offences committed or suspected of having been committed in the buffer zone; provision of support to UNFICYP in preserving public order during demonstrations and disturbances in the buffer zone and areas adjacent to the buffer zone; resolution of civil disputes in the buffer zone; maintenance of law and order in the bicommunal village of Pyla, which is the only area in the buffer zone where the two communities live together; control over the civilian access to the buffer zone; monitoring of the crossing points; verifying permits for farming and building construction in the buffer zone; investigation of illegal dumping of waste in the buffer zone; prevention of hunting and bird trapping in the buffer zone; investigation of alleged presence of illegal immigrants in the buffer zone; regular liaison with relevant authorities in the south and the north; and facilitation of investigations by police authorities of both sides in the buffer zone.

Synergies

27. The institutional knowledge and activities of the UNFICYP police help create an enabling environment in support of the good offices-facilitated negotiations and

assist the parties in devising and implementing confidence-building measures. In particular, the UNFICYP police facilitate the Technical Committee on Crimes and Criminal Matters, established by the two sides as part of the negotiation process, assisting the Committee in the formulation and implementation of confidence-building measures related to crime prevention and road safety and in the exchange of information and intelligence on crime and criminal matters.

5. UNFICYP military

28. The main task of UNFICYP military operations is to maintain the ceasefire and the military status quo in the buffer zone. This task is implemented through the interposition of UNFICYP troops between the opposing forces, constant surveillance of the buffer zone from fixed observation posts and by air, vehicle and foot patrols, and regular liaison with the opposing forces.

Synergies

29. In support of a stable environment, the military component of UNFICYP plays a key role in maintaining the calm in the buffer zone and facilitating the mine clearance activities in the buffer zone. The military component also provides direct support to the good offices, with the United Nations police, by providing a secure location for the meetings between the parties in the context of the negotiations within the buffer zone.

E. Administrative support provided by UNFICYP to the Office of the Special Adviser

1. Administrative support provided by UNFICYP to the integrated structure

30. The Office of the Special Adviser relies on UNFICYP for the provision of ongoing administrative and logistical support, financial and budget services, personnel management, procurement, general services, engineering (including renovations), supply assistance, transport and information technology and communication support.[4] The Office of the Special Adviser pays UNFICYP for the actual cost of materials and services incurred on its behalf.

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[4] Services include:

(i) Information technology: all information technology staff support the good offices staff from the day of arrival. As the good offices have no information technology support of their own, they are totally reliant on UNFICYP support, which includes programming and installing computers, printers, digital senders, etc.; wiring infrastructure; creation of accounts for e-mail, Lotus Notes and Internet access; e-mail security issues; and resolving all information technology problems;

(ii) Communications: telephone support including dedicated PABX, personal identification number issuance, Blackberry and cellular phone setup and issuance; communications cabling at the good offices; Motorola radio and global positioning systems; processing of cellular, Blackberry and land-line bills;

(iii) Engineering: all building management facilities, including electrical, mechanical and air conditioning support, fire alarms, construction of car ports, partitioning and paintings, preparation of the scope of works and specifications for the Technical Committee on Crime and Criminal Matters; renovation of the Chief of Mission's residence to be used as a venue for leaders' meetings;

Synergies

31. The internal after-action review of the United Nations role in the preparatory phase of negotiations highlighted the fact that the continuous presence of UNFICYP enhanced the logistical preparedness of the United Nations to provide immediate support, at the request of the parties, to the launch of the negotiation process and facilitated the prompt establishment of the Office of the Special Adviser.

2. Administrative assistants in the Office of the Special Adviser

32. The administrative staff of the Office of the Special Adviser provides dedicated support to the Special Adviser and his/her team, specifically related to facilitating the negotiation process.[5] The administrative staff assist the Special Adviser, the Coordinator and the political affairs officers in the management and compilation of material for the meetings of the leaders, their representatives, the working groups and technical committees; plan and implement administrative arrangements for the organization of the meetings of the leaders or their representatives; and liaise with UNFICYP on a regular basis. The administrative team provides first-tier logistic and finance support to the Office of the Special Adviser and coordinates with UNFICYP on recruitment and personnel management issues.

3. Security officers of the Office of the Special Adviser

33. The establishment of the Office of the Special Adviser has increased security demands, which are reflected in the budget of the Office. Because of the high profile and the politically sensitive nature of the work of the Office, the Department of Safety and Security strongly recommended the establishment of the security officer posts to ensure the safety and security of the Adviser and the Office. Among other functions, the two security officers: control access to the good offices premises and other areas; maintain security and safety within the offices of the Adviser; and provide security assistance during the leaders' meetings, which require their constant presence on the premises. The security officers do not provide close protection, but were recruited on the basis of this requirement, should it become necessary.

34. UNFICYP does not have a sufficient number of security officers to cover the good offices needs on a full-time basis, given the limited capacity in UNFICYP and given that the two missions are located in different compounds.

(iv) Supply: requisitions of all supply items including hospitality, stationery, office machinery, reproduction support, public address system support for the leaders' meetings and briefings to the international diplomatic community, grounds maintenance and other support;

(v) Procurement of services and goods;

(vi) Personnel: processing of all contracts of international and local staff, including of their entitlements, installation and repatriation;

(vii) Finance and budget: preparation of budgets and performance reports, administration of allotments, financial services, including payroll, payment to vendors.

[5] Owing to the political sensitivity of the process, the administrative assistants in the Office of the Special Adviser are international staff.

Synergies

35. UNFICYP provides additional security services for the leaders' meetings. The security officers of the Office of the Special Adviser report to the UNFICYP Chief Security Officer as their first reporting officer.

4. Office of the Special Adviser drivers

36. The work of the Special Adviser and of good offices staff brought additional requirements for transportation. Some of these requirements have been included under the good offices budget since the capacity of the UNFICYP Transport Unit is not sufficient to meet the good offices needs on a full-time basis.

37. The UNFICYP Transport Unit supports the good offices mission, including by assisting its staff and consultants at Larnaca airport; providing a driver and a bus in support of the technical committees and working groups; and assisting with transportation in connection with the leaders' meetings.

Synergies

38. The UNFICYP Transport Unit, in coordination with the Office of the Special Adviser, manages the Office's drivers. The drivers report to the UNFICYP Transport Unit dispatcher as their first reporting officer.

F. Observations

39. During the preparatory phase leading to the launch of the full-fledged negotiations in September 2008, the parties agreed to establish six working groups and seven technical committees and requested the Secretary-General to provide the necessary resources to facilitate the talks. That preparatory process led to the renewal of full-fledged negotiations between the two leaders, under the auspices of the United Nations. Requirements stemming from these developments have informed the decision on the number and functions of the posts within the Office of the Special Adviser, whose role has been established at the parties' request. The budget of the Office therefore emanates directly from the needs related to the parties' requests.

40. In designing the budget of the Office, the Secretary-General took into account not only the parties' request but also existing UNFICYP resources on the ground. It was determined that, on the substantive side, UNFICYP did not have sufficient capacity to support the talks. On the administrative side, however, UNFICYP was well equipped to provide most of the necessary support to the Office. This explains the ratio of substantive staff to administrative staff within the Office and the significant reliance on UNFICYP for administrative and logistical support.

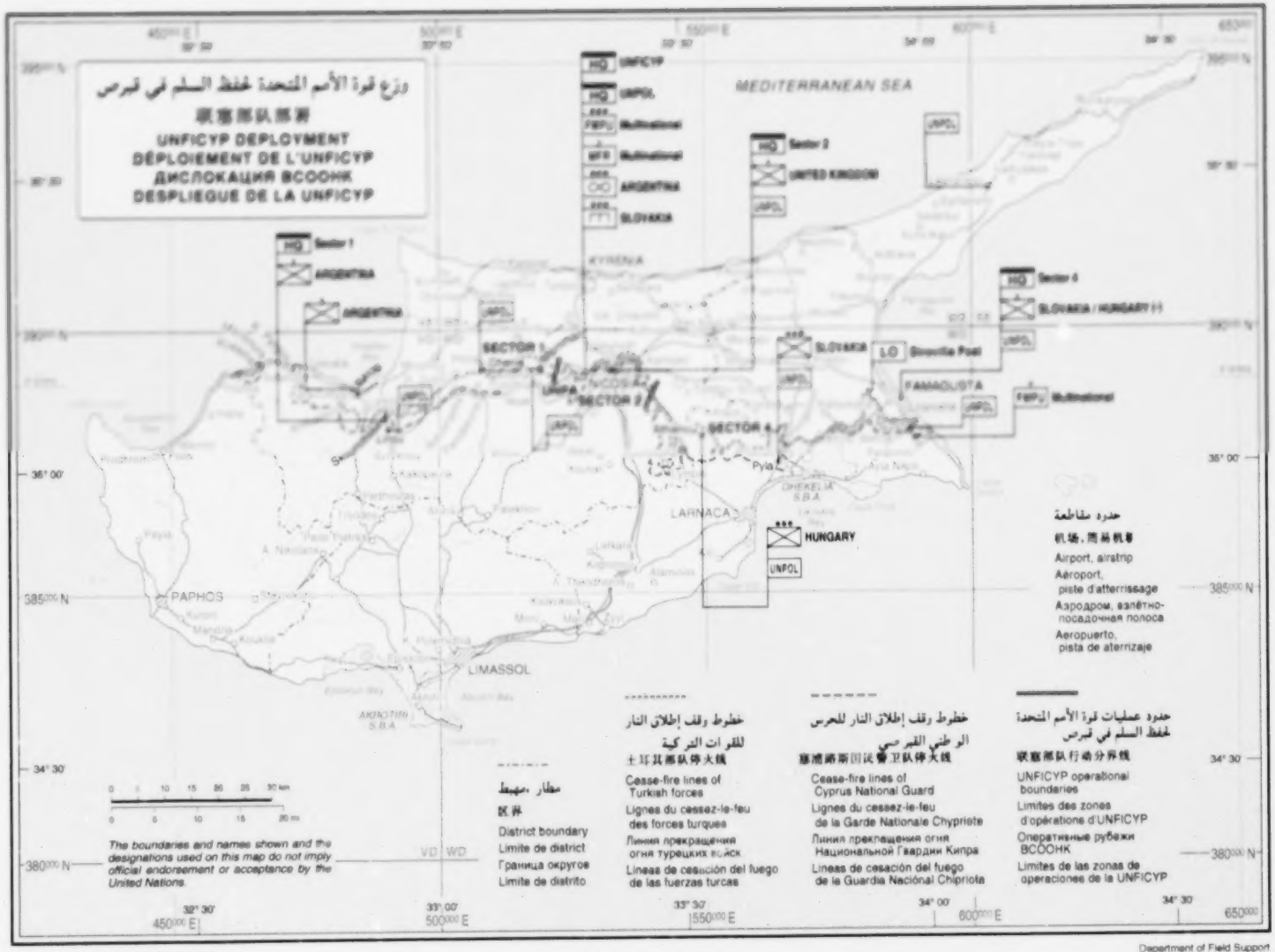
41. In preparing the 2010 budget, the Office of the Special Adviser undertook an assessment of its ongoing needs and resources based on lessons learned from the preceding period. As a result of the assessment, it was determined that qualified short-term experts in specific areas were required to provide the Special Adviser with specific insight and detailed analysis on the issues under negotiation, and to provide advice and support to the sides at their request. It was later determined that it would be most efficient to eliminate one P-5 position in order to release resources and have the flexibility to hire personnel on a short-term basis as needed. While this

decision has increased the workload of the remaining Political Affairs Officers at the P-5 and P-4 levels, it has provided the added value of the high-level expertise of the consultants to the peace process.

42. As outlined above, the current activities of the Office of the Special Adviser and UNFICYP are carried out in an integrated manner, providing continuous opportunities for synergies and mutual support while also delivering different outputs deriving from their respective and tailored mandates. The integrated approach is supported by joint planning, in particular strategic substantive planning, as well as the results-based budgeting process.

43. The good offices mandate is centred on the role of the Special Adviser to the Secretary-General on Cyprus, who is tasked with the singular objective of facilitating negotiations in the framework of the good offices mission on behalf of the Secretary-General. This role requires the Special Adviser to spend a considerable amount of time in Cyprus, particularly during intensive phases of the talks, as well as holding consultations at the senior level with key regional actors and regularly briefing the Secretary-General and senior officials in New York on the process. In this regard, the current arrangement between the Office of the Special Adviser and UNFICYP has proven efficient, as it would have been difficult for such an intensive engagement in the facilitation efforts to be undertaken by the Special Representative of the Secretary-General, who is responsible for the conduct of the peacekeeping operation and coordination of the United Nations entities on the ground. When the Special Adviser has been absent from Cyprus for a negotiating session, the Special Representative of the Secretary-General/Deputy Special Adviser has acted to fill in the functions of the Special Adviser.

44. In similar cases, such as Darfur/Sudan, Kosovo and Western Sahara, a special envoy, special adviser or representative has likewise been appointed in addition to the Special Representative of the Secretary-General present on the ground because of the functional differences in their roles. The head of a peacekeeping operation must focus principally on ensuring the successful fulfilment of the mission's mandate to maintain peace and security, while the United Nations negotiator/facilitator concentrates his/her efforts on working with the parties to achieve the successful conclusion of the political process. Taking into consideration this principle and the current United Nations arrangement in Cyprus, as described in the present review, it can be noted that the roles of the Special Adviser to the Secretary-General and Special Representative of the Secretary-General are distinct but mutually reinforcing, particularly when they are implemented in an integrated fashion and with reciprocally supporting structures. This arrangement has allowed the United Nations to pursue, in a coherent, consistent and integrated manner, the primary objective of assisting the parties in reaching a comprehensive settlement of the Cyprus problem.



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Agenda items 13, 24, 25 and 27

Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields

Eradication of poverty and other development issues

Operational activities for development: operational activities for development of the United Nations

Social development

Letter dated 31 January 2011 from the Permanent Representative of Kazakhstan to the United Nations addressed to the Secretary-General

I have the honour to transmit herewith the text of the annual address of the President of the Republic of Kazakhstan, Mr. N. Nazarbayev, to the people of Kazakhstan, entitled "Building the future together", made in Astana on 28 January 2011 at the joint session of the Parliament of the Republic of Kazakhstan (see annex).

I should be grateful if the text of the present letter and its annex could be circulated as a document of the sixty-fifth session of the General Assembly, under agenda items 13, 24, 25 and 27.

(*Signed*) Byrganym **Aitimova**
Permanent Representative

11-22314 (E) 220211

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Annex to the letter dated 31 January 2011 from the Permanent Representative of Kazakhstan to the United Nations addressed to the Secretary-General

Building the future together: address of the President of the Republic of Kazakhstan, Nursultan Nazarbayev, to the people of Kazakhstan

Astana, 28 January 2011

Dear compatriots!
Dear deputies and members of the Government!
Ladies and gentlemen!

This year is especially valuable for us.

We have approached the twentieth anniversary of our independence.

We have conquered significant peaks along the way, which has led a dependent people to the independent days of present time.

As you remember, in 1997, in my first address to the people of Kazakhstan, I said:

"By 2030, our next generations will live in a country which will not be left in the wayside of global events".

At that time, there were many people who were doubtful about these words.

However, we have achieved this desired goal not in 33, but in 12 years!

The Summit recently held in Astana, which convened the heads of 56 States and Governments, is outstanding evidence of this.

And even before this major and glorious achievement, we had reached many goals.

We have become one of the three States in the world to have convened our compatriots, "scattered as millet" at different times in history.

In these years, more than 800,000 compatriots have come back from foreign States and the population has increased by one and a half million.

We have built a beautiful and prosperous Astana on the wide steppe of Sary-Arka. We have established the capital, which has become the symbol of our dynamic development, on the banks of the Yessil River.

Only the nation which lives in harmony and understanding will reach a fruitful future.

Today, Kazakhstan's international reserves are about 60 billion United States dollars.

Prosperity requires cooperation, and unity is the token of wealth.

In the years of independence, more than 120 billion United States dollars in foreign investment have been attracted into the economy of our country.

We also export more than 200 kinds of products to 126 countries of the world.

Today, one third of the national wealth is created by small and medium-sized businesses.

The agricultural sector is also developing.

In 2010, gross domestic product (GDP) increased by 7 per cent and industrial production by 10 per cent, while the growth in manufacturing industries reached 19 per cent.

An average monthly salary increased from 53,000 tenge in 2007 to 80,000 tenge in 2010.

In terms of national well-being, last year Kazakhstan moved ahead 26 steps and took fiftieth place among 110 countries.

Overall, an average monthly salary increased by 5.5 times and the average pension increased fourfold.

We overcame the crisis which shook the world, and bravely stepped onto a straight path of development.

We set ourselves ambitious goals, and we achieved them.

About 500 public health facilities have been built during the years of independence.

The material and technical foundation of the medical institutions has significantly improved.

In developing education, our country takes leading positions among 129 countries.

Funds allocated to education increased tenfold during the last decade.

A total of 750 new schools were built in these years.

Also, 5,302 preschool facilities, 1,117 nursery schools and 4,185 centres were opened.

A new university, which in the new century will become the centre of science and knowledge, was opened in Astana.

In such a short period of time, we have become a country with many trophies and a strong nation.

All this was done to give our people opportunities to think globally.

1. Accelerated economic modernization — continuing the Programme of Accelerated Industrial and Innovative Development

Dear people of Kazakhstan!

We enter the twentieth year of independence.

In December 1991, having chosen the strategic goals of sustainability and success, we moved forward, creating new programmes of development for each new stage.

We set ourselves ambitious goals, and we achieved them.

I will give only one integrated index of the country's progress.

In 1994, Kazakhstan's GDP per capita was slightly above 700 United States dollars.

By 1 January 2011, it had increased more than twelvefold and exceeded 9,000 United States dollars.

We had planned to reach such a level only by 2015.

The international experience shows that, during their first 20 years of independence, no other countries were able to achieve such a result.

For example, GDP per capita in South Korea in the first 20 years of its sovereign development increased threefold; in Malaysia, twofold; in Singapore, fourfold; in Hungary, fivefold; and in Poland, fourfold.

In my address to the people in January 2010, I announced the Programme of Accelerated Industrial and Innovative Development.

There are already concrete results from the first year of its implementation.

We have already launched 152 enterprises, creating 24,000 jobs for the people of Kazakhstan.

In total, about 800 different enterprises were established in the country.

We have begun the process of active reconstruction and development of chemical and light industries; we have made a breakthrough in agricultural processing.

By 2014, we plan to have implemented 294 investment projects worth 8.1 trillion tenge.

A total of 161,000 new permanent jobs will be created and 207,000 new jobs will be available for the period of construction.

The main outcome of the first year of the first industrial five-year plan is the commencement of serious structural changes in economic growth thanks to the real economy sector.

I will reiterate the purpose of the Strategic Plan for the next decade.

By 2020, we must achieve the following indices:

Overall GDP growth will be no less than 30 per cent.

Growth in the processing industries will exceed or reach the level of the extractive industries.

The National Fund assets will comprise no less than 30 per cent of GDP.

Domestic and foreign investments in non-raw-materials economic sectors will increase by at least 30 per cent.

The share of small and medium-sized businesses in GDP will be 40 per cent.

The population will grow to 18 million people.

The share of qualified specialists will reach 40 per cent.

The unemployment rate will stay under 5 per cent.

Labour productivity in agriculture by 2014 will increase twofold; by 2020, fourfold.

An unprecedented project to develop beef husbandry will be implemented in the agricultural sector.

By 2016, meat exports will have reached 60,000 tons, which is equivalent to exports of 4 million tons of grain.

For this purpose, the State will allocate 130 billion tenge as credits.

This will allow the creation of more than 20,000 jobs in the countryside, and will provide a source of income for more than 100,000 villagers.

This will allow an increase in the number of breeding stock and breeder cattle of all kinds.

All this will stimulate the growth of production in related industries: agricultural engineering, the chemical and food industries, feed production and equipment repairs.

The Government and the Akims (governors) of all regions should deal with this most important part of rural industrialization.

The competitiveness of our economy should be based on efficient technologies, which ensure a reduction in energy consumption.

In order to develop the non-raw-materials sectors, I charge the Government with developing and adopting the Comprehensive Plan for Energy Efficiency.

Industrialization forms a new paradigm for regional policy.

The Government, together with the Akims, should develop and approve a Programme for Development of Regions.

All of this is part of our well-thought-out plans.

We are still at the beginning of our way.

If we want to live better and richer, we must implement this work.

I am a supporter of the principle that a strong business means a strong State.

For the first time, we adopted a Law on State Control and Supervision.

The uniform principles and procedures for monitoring by all State agencies have now been established.

This has been done in order to further reduce the administrative pressure on businesses.

Within the framework of reform of the law-enforcement system, 16 laws were adopted.

Legal mechanisms for the protection of property were introduced; the humanization of criminal legislation on crimes which do not pose a grave threat to society was carried out; the scope of non-confinement punishments, as well as preventive measures alternative to arrest, was expanded.

Owing to this, this year alone about 2,000 people convicted of crimes of small and medium gravity will be released from prison.

The staff of the law-enforcement system was reduced by 15 per cent.

Its structure was optimized.

Functions unusual for law-enforcement agencies were transferred to the private sector.

Significant changes are taking place in the judicial system.

An uncompromising fight against corruption is under way.

Currently, according to international experts, the anti-corruption legislation in Kazakhstan is recognized as one of the most effective.

In total, for the last two years, more than 40 officials at the national level and more than 250 officials at the regional and city levels, including 39 Akims and their deputies, were charged with criminal offences.

Criminal cases were filed against a minister of environmental protection and a minister of health care, a chairman of the statistics agency, vice-ministers of the ministry for emergency situations and the ministry of defence and the chairmen of the "Kazakhstan Temir Zholy", "KazMunayGaz" and "Kazatomprom" companies, resulting in convictions.

In three years, our country's rating in the global anti-corruption index improved by 45 points.

According to this index, we are at the top position throughout the Commonwealth of Independent States.

This work will continue without compromise.

In the World Bank report, in 2010 Kazakhstan was recognized as the leader of reforms in the interests of businesses.

In the global ranking of countries with the most favourable business climate, Kazakhstan takes the fifty-ninth place among 183 countries of the world.

In general, unreasonable interference on the part of State bodies in the activity of economic entities was minimized.

Last year, the Customs Union of Kazakhstan, Russia and Belarus was launched.

According to results for 10 months of 2010, the volume of trade with Russia and Belarus increased by 38 per cent.

Exports of Kazakhstan's goods to the Customs Union countries increased 52.4 per cent. As a result of that, the contribution from customs duties to our budget increased by 25 per cent.

All these facts objectively show that the Customs Union is a very pragmatic and concrete project which solves the economic problems of our countries.

We have advanced to the maximum extent possible in the creation of a single economic space.

It will provide a huge market for Kazakh producers.

It is a stimulus for our businesses to produce competitive goods and services.

2. Social modernization — a new social policy

We have clearly defined our plans for the industrialization and technological development of the economy.

The main objective of our programmes is to improve people's well-being.

Therefore, I pay special attention in this address to social modernization.

I have adopted three major State programmes: development of education, health and languages.

I instruct the Government, together with the Akims, to develop and adopt, by 1 May, principally new programmes on:

- New employment strategies;
- Modernization of housing and public utilities;
- Providing the population with quality drinking water.

These programmes are aimed at solving the everyday problems of millions of ordinary people of the country.

They will improve the quality of life of the people of Kazakhstan.

I will concentrate on the main aspects of the new social policy.

2.1. Education

We must continue to modernize education.

As of today, the computerization of schools has been totally completed.

They are equipped with multimedia classrooms and interactive equipment.

The introduction of a 12-year secondary education model is under way.

Lifelong learning should be the motto for all the people of Kazakhstan.

We intend to completely update the content of vocational and technical education.

Today, for every 1 million people in developed countries, there are from one to six universities.

The total number of universities in Kazakhstan is 149.

Two hundred scientific councils forge candidates and doctors of science.

Only one out of 60 candidates and one out of 37 doctors then work in the sphere of science.

From this year on, these councils will cease functioning.

Now we will pursue master's and PhD training.

We are obliged to provide a new level of development of university education and science.

Today, on the basis of the new Nazarbayev University, an innovative model for higher education institutions oriented towards market demands is being formed.

It aims to become a model for all universities in Kazakhstan.

Twenty intellectual schools founded, on my instructions, throughout the country will become the main base for training gifted children for the best universities.

I instruct the Government:

- To develop a mechanism for the transition of the universities to innovative activities;
- To introduce new financial and economic instruments to support education and to improve the quality and accessibility of education;
- For the levels of technical and higher education, to develop a savings system similar to that which is now realized by "Zhylstroisberbank" in mortgage construction. The people of Kazakhstan should have new opportunities to save funds for educating their children by means of obtaining interest bonuses from the State;
- To establish a National Council for the preparation of vocational and technical personnel, with the participation of representatives of business associations and employers.

All the work in the education system should be aimed at achieving the following results.

The proportion of children covered by preschool education by 2015 will reach 74 per cent, and, by 2020, 100 per cent.

As a result of the "Balapan" programme, adopted on my instructions, in 2010, 35 nursery schools were built, 1,534 mini-centres were founded, and 137 private kindergartens were established.

Owing to the return of previously privatized preschool institutions, 172 kindergartens were reopened.

Coverage of children by preschool institutions increased from 30 to 55 per cent.

By 2020, we will have made a complete transition to a 12-year model of education.

For this purpose, by 2015 we will have built no less than 200 schools at the expense of the republican budget and the same number at the expense of local budgets.

By 2015, 50 per cent of educational institutions will use electronic training, and by 2020 their number will have increased to 90 per cent.

By 2020, the share of universities which will pass an independent national accreditation of international standards will be 30 per cent.

The share of universities implementing innovative and research activity and introducing the results of scientific research into production will grow to 5 per cent.

No fewer than two universities will be registered in the rating of the world's top universities.

Quality education should be the basis of the industrialization and innovative development of Kazakhstan.

2.2. Health care

During all these years we have done everything necessary to improve the health of the people of Kazakhstan.

Health-care financing increased from 1.9 per cent of GDP in 2002 to 3.2 per cent in 2010.

Today, for the first time, the most complex medical surgeries are performed across the country.

A total of 150 telemedical centres connected with the leading international hospitals have been established.

Twenty years ago we could only dream about this.

As a result of the work done, we can note a 25 per cent growth in the birth rate, an 11 per cent decrease in the death rate and the acceleration of population growth by 1.7 times.

By 2013, the Unified National Health-care System will have been fully introduced.

We must deal seriously with preventive medicine and improve the quality of primary medical care.

According to an international assessment, about 5 per cent of the population with basic types of diseases use about 70 per cent of all health services.

With well-organized prevention activity, the diseases may be prevented at the early stages.

Therefore, Kazakhstan should implement a set of national health surveillance programmes for targeted groups of the population.

First and foremost, this relates to children, adolescents and women of reproductive age.

Particular emphasis should be placed on expanding access to medical assistance for rural residents.

In the past year, a new social project was launched — two specialized treatment and diagnostic trains called "Densaulyk".

They have examined and treated tens of thousands of people in the remotest corners of our country.

This kind of transport-based medicine is critical for Kazakhstan, and we will develop it.

This year another train will be launched.

It is necessary to bring the number of mobile medical complexes (auto clinics) up to 50 units.

We must produce them in Kazakhstan.

I instruct the Government to provide no less than 16 helicopters for air ambulance needs by 2015.

I also instruct it to expeditiously explore the issue of creating medical and rescue points along highways.

They should be placed on hazardous sections of major roads of nationwide significance.

Emergency medical services should be equipped with multiprofile mobile and air mobile hospitals.

I am confident that these measures will save the lives of thousands of our citizens.

Special attention should be paid to the reduction of the level of morbidity and mortality related to tuberculosis and HIV in the correctional system.

As a result of these tasks, by 2015 the life expectancy of the people of Kazakhstan will have increased to 70 years, and by 2020 to 72 years or more.

It is necessary, to promote a healthy lifestyle, to use the created sports base everywhere.

By 2015, 350 medical clinics, medical and obstetric centres and clinics will have been built.

2.3. Languages

My fellow people of Kazakhstan, peace and harmony in our multilingual and multi-faith society are our common achievement.

It is gratifying to note that the people of Kazakhstan, showing respect and dignity, began studying the State Kazakh language, which gave the name to the native land where we live and led our country to well-being.

Now, the overwhelming majority of adults are fluent in the State language.

And this is a great achievement of independence.

Our task is to make sure that by 2017 the number of people in Kazakhstan who have mastered the State language will have reached at least 80 per cent. And by 2020, no less than 95 per cent.

In 10 years, 100 per cent of high-school graduates will speak the State language.

We will do our best to achieve that.

We will also develop Russian and the languages of other ethnic groups in Kazakhstan.

I have always said that knowledge of three languages is an obligatory condition of one's well-being.

Therefore, I believe that by 2020 the share of our population speaking English should be no less than 20 per cent.

2.4. New employment strategy

For two years, within the framework of the anti-crisis "Road Map" programme, we have ensured the employment of the population, reduced the level of unemployment and improved infrastructure in our cities and villages.

These programmes have received the broad support and gratitude of the people of Kazakhstan.

Today, it is necessary to increase labour market efficiency, since the new economy requires a new generation of skilled personnel.

The self-employed population is a huge pool of talent for our economy.

We build new businesses so that the people of Kazakhstan can work there.

They should be prepared for this and learn new professions.

I assign the Government, together with the Akims of regions, and the cities of Astana and Almaty, until 1 May 2011, to develop a brand new programme on the employment of the population.

The Government, together with the business community, should provide free training for people willing to work at industrial sites.

It is necessary to provide the possibility of participation for every citizen of Kazakhstan in the large-scale industrialization of the country.

A while ago, I set a goal that the anti-crisis "Road Map" programme reach every family in Kazakhstan.

And this was successfully done.

Using this experience, now it is necessary to structure the work in such a way that industrialization is truly nationwide in scale, and a matter for each citizen of Kazakhstan!

For those citizens who choose to live in rural areas, the Government, together with local authorities, should work out a package of measures to promote rural entrepreneurship.

In the past year, the programme for the development of rural territories was completed.

Now, this work will continue under the Forecast Scheme for the territorial and spatial development of the country until 2020.

In areas with high development potential, we will develop rural infrastructure, expand access to irrigation water, microcredit programmes and in-kind grants, and organize training in entrepreneurship.

Today, there is already a legal basis for microcredit organization activity.

Today, there are almost 1,200 of them on the market, and they have given more than 110,000 loans to the population, totalling more than 16 billion tenge.

However, in general, they are lent, for consumer purposes, at a rather high interest rate.

We need to change the situation and the emphasis towards employment rather than consumption.

Therefore, I charge the Government, along with financial regulators, to urgently develop appropriate legislation and a set of measures.

This year, we need to provide an additional 3 billion tenge.

In 2012-2015, we will need to increase this funding up to 10 billion to 15 billion tenge annually.

A full 100 per cent of microcredits granted from the State money should go to setting up one's own business.

The implementation of a livestock development programme, mentioned above, will provide jobs for tens of thousands of villagers.

Therefore, major outreach at all levels of executive power and the Nur Otan party is required.

I instruct the Government, from next year, to move to motivational cash payments.

The main issue is overcoming the dependency mindset.

An unemployed person will receive a grant for obtaining a profession, not for being unemployed.

The problem of poverty must be addressed, rather than mitigated at the expense of governmental benefits.

The State will only help objectively disabled and needy people.

2.5. Modernization of housing and public utilities

The best indicator of the quality of life of citizens is the comfort level of housing.

Over the past 10 years, the housing fund expanded to cover 30 million square metres.

This means that more than 1 million of our citizens now live in new apartments.

This is an important result of our housing policy.

For many years, the public sector was financed by a leftover principle.

As a result, 72 per cent of communications needed repair or replacement by 2008.

Within the framework of the "Road Map", in 2009 and 2010 we did a lot to repair housing facilities.

This work must continue.

It is necessary to conduct a large-scale modernization of the water, heat, electricity and gas supplies and ensure the creation of an optimal model of housing.

The proportion of facilities that require an overhaul should be reduced from 32 to 22 per cent by 2015.

By 2015, the total length of the upgraded network across the country will be more than 31,000 kilometres.

The State, in coordination with international financial institutions and our banks, will offer private investors, businesses and individuals special tools for co-financing the repair and reconstruction of housing and public facilities.

The implementation of the Housing and Public Utilities Modernization programme will allow the creation of up to 10,000 new jobs annually.

In general, 1.5 million people living in apartment buildings will take part in its implementation.

I instruct the Government to develop a mechanism for stimulating savings and co-financing for the repair and restoration of common property.

Only then will we be able to improve living conditions and increase citizens' responsibility for the safety of their property.

2.6. Quality drinking water

The provision of quality drinking water to people in Kazakhstan is the most important task in improving people's health; therefore, this will be our priority.

Work on ensuring quality drinking water started eight years ago, and there have been positive results.

Access to a centralized water supply in rural areas rose to 41 per cent, and in cities to 72 per cent.

The number of people using imported water decreased fourfold.

At the same time, there are still many villages with water supply systems in need of improvement.

The deterioration of water networks in urban areas has reached 60 per cent.

On average, across the country, the level of access to drinking water by 2020 should reach 98 per cent, and water quality must meet all established sanitary standards.

I instruct the Government to develop effective incentives for the maximum involvement of private capital in the hydro-economic sector.

It is necessary to make extensive use of the potential of groundwater and apply a systematic approach in the construction of new water supply facilities.

In 2020, access to a central water supply in urban areas should reach 100 per cent. In the countryside, it should increase twofold, to 80 per cent.

2.7. Increase of revenues — a new quality of life

Dear people of Kazakhstan!

This year we will increase the amount of pensions, scholarships and salaries of public sector employees by 30 per cent.

For two years in a row, we have increased them by 25 per cent.

As planned in the people's platform of the Nur Otan party, by 2012 the average size of pensions, salaries in the budgetary organizations and scholarships will increase twofold compared to 2008.

We promised it, and we have done it!

On my instruction, a three-year budget provides the financial support for both industrial and innovative and social programmes, which I have reported.

Now everything depends on how the Government and local authorities will implement these tasks, how this activity will be organized.

This is the minimum that needs to be done in the next decade.

We should strive to exceed these plans.

This is the main social objective of the decade.

Dear people of Kazakhstan!

By my Decree, 2011 was declared the year of the twentieth anniversary of independence.

The State Commission has been established, and the National Action Plan has been approved.

This is a matter for everyone.

I task the Government to unite the efforts of investors, the business community and the people of Kazakhstan to implement it.

The motto of our jubilee is "20 Years of Peace and Creation".

Throughout the years of independence, fundamental values of the Kazakhstan Way have been formed: freedom, unity, stability and prosperity.

Dear people of Kazakhstan!

Dear deputies!

You and I have come across a difficult collision due to the nationwide initiative to hold a referendum on extending presidential powers until 2020.

I am sincerely grateful to all the people of Kazakhstan, as well as the initiators of this idea, for putting their signatures in support of the referendum.

On a wave of people's will, by mid-January more than 5 million signatures had been submitted to the Central Election Commission.

Within days, the initiative on the referendum had actually turned into a popular movement.

During this campaign the Nur Otan party organized a public coalition of democratic forces, "Kazakhstan — 2020".

The people's initiative showed the unquenchable civil activity of the people of Kazakhstan.

It has intensified the political and intellectual life of the country.

This indicates great potential for development and progress.

You know all the circumstances of this issue very well.

By my decree, I declined the proposal of the Parliament on holding this referendum, as I was planning to take part in the 2012 presidential election.

The Parliament, using its constitutional power, adopted the Law on Amendments to the Constitution.

I have sent it to the Constitutional Council, which should determine whether it is constitutional.

Only after this will the final decision be made.

It should comply with the Constitution and our laws; it should also include the long-term interests of our people.

In any case, the will of the people is above all.

Herewith, I declare that in our foreign policy we will ensure the stability of our commitments to investors and the business community around the world.

Our policy will meet the hopes and expectations of all our partners.

Kazakhstan will remain committed to the swift and efficient development of the Customs Union among Russia, Kazakhstan and Belarus.

We will develop our cooperation with the CIS countries.

We propose to our European partners to jointly develop and adopt, in a multilateral format, a "Kazakhstan-European Union: 2020" Energy Charter.

This would ensure the guarantee of stability of energy supplies to the European markets, and the development of pipeline systems.

We will initiate the holding of a special donor conference on Afghanistan this year in Almaty.

Earlier, I proposed the idea of a Stability Pact for the Caspian Region.

This international instrument can lay a firm foundation for stability throughout the vast region of Central Asia and the Caucasus.

Kazakhstan will continue efforts on the settlement of conflicts which we began as part of our chairmanship of the Organization for Security and Cooperation in Europe.

We remain leaders in the sphere of global nuclear security.

Kazakhstan proposes that the United Nations adopt a universal declaration on a nuclear-weapon-free world.

I consider it important, as well, to develop and adopt the inter-State programme of assistance to Kyrgyzstan.

This year, Kazakhstan will assume the presidency of the Organization of the Islamic Conference (OIC).

We have put forward initiatives on strengthening the dialogue between the West and the Islamic world.

The presidency of OIC should strengthen the Asian vector of Kazakhstan's foreign policy.

The tenth anniversary summit of the Shanghai Cooperation Organization (SCO) will be held in Astana in July.

The SCO was created with our active participation, and we must do our best to make it stronger.

All of this will be Kazakhstan's important contribution to regional and global stability.

Dear audience!

Dear people of Kazakhstan!

You all know about the initiative of holding the referendum to extend the term of office of the head of State.

The non-governmental organizations, representative of the intelligentsia and deputies of the Parliament support this initiative.

I take this warm wish of the people as an appreciation of the efforts to strengthen the independence and statehood of our country.

Love for the motherland means one has to meet all challenges that it sends.

My life is tied to the destiny of our country.

I was charged to take our independence and build the country during tough times.

Therefore, striving to justify the confidence, I took all responsibility upon myself.

I adopted difficult, momentous decisions, pouring all my heart into them.

For 20 years, I have been serving my country, sparing no efforts or experience.

In these years, all our achievements, which have raised our status and reputation, have been our common success.

Therefore, I am grateful to the initiators and the people of Kazakhstan who expressed their wishes!

I have never had more happiness than to serve the interests of my country and the welfare of my motherland.

We still have a lot of work.

Our most important value on this path is our cohesive unity.

I am sure that the large-hearted people of my country, who value unity, will become a strong and prosperous nation.

There is a wise folk saying: "If the country has a blessing, there will be well-being and its direction will be right."

In this address, we summed up the results of the work which was done during a glorious stage and outlined a direction for the future.

I wish you all great success in your noble work towards well-being in the interests of the country!

Let our noble activities, which brought us to these glorious days, be blessed, dear compatriots!

Thank you for your attention.